
**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS

	Section
Money Payment Principle.....	44-301
Payment by Electronic Fund Transfer	44-302
Aid Payments - Defined.....	44-303
Money Payments.....	.1
Protective Payments.....	.2
Vendor Payments .....	.3
Aid Payment Schedules	44-304
Forwarding of Warrants .....	.1
Frequency of Delivery .....	.2
Changes in Frequency .....	.3
Recipient Option .....	.4
Standard Delivery Dates .....	.5
Exceptions to Standard Delivery Date .....	.6
Recipient Dies .....	.7
Aid Payments - Payee and Delivery	44-305
To Whom Paid and Delivered.....	.1
Alternate Payment System .....	.2
Voucher/Vendor Payments	44-307
Voucher/Vendor Payments .....	.1
Grant not Sufficient.....	.2
Untenable Living Situation .....	.3
Change of Address .....	.4
Optional Voucher/Vendor Payments .....	.5
Protective Payments.....	44-309

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Exceptions to Protective Payment Requirements	44-310
Cost-of-Living Adjustments	44-311
Budgeting Methods for AFDC-FG/U	44-313
Prospective Budgeting .....	.1
Retrospective Budgeting .....	.2(MR)
Income of a Continuous Nature .....	.3(MR)
Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit.....	.4
Budgeting in Approved Alternate Payment Systems.....	.5
Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG and AFDC-U .....	.6
Maximum Family Grant (MFG)	44-314
Definitions.....	.1
MFG.....	.2
MFG Application.....	.3
Continue MFG .....	.4
MFG Exemptions.....	.5
MFG Child Eligibility.....	.6
Amount of Aid	44-315
Definitions.....	.1
County Responsibility.....	.2
Amount of Grant.....	.3
Special Needs.....	.4
\$10 or More.....	.5
Payment in Installments .....	.6
Proration of AFDC-FG/U Grant .....	.7
Suspension .....	.8(MR)
Zero Basic Grant .....	.9

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Reporting Changes Affecting Eligibility and Grant Determinations	44-316(MR)
Reporting Changes Affecting Eligibility and Grant Determinations and County Actions.....	44-316(QR)
Required Reporting of All Changes Affecting Eligibility and Grant Determination.....	.1(MR)
When the County Shall Request Updated Information from Recipient Families.....	.2(QR)
Mid-Quarter Actions .....	.3(QR)
Beginning Date of Aid for New Applications	44-317
Basic Date of Aid Determination.....	.1
Aid Begins on a Specified Date .....	.2
Aid is Granted on Intercounty Transfer .....	.3
Change in Type of Assistance.....	.4
Intraprogram Status Changes .....	.6
Previously Denied Application is Approved.....	.8
Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.....	.9
Effective Date of Medical Assistance Certification.....	.10
Beginning Date of Aid (BDA) for Persons Being Added to the AU	44-318
Beginning Date of Aid .....	.1
Initial Payments	44-319
Initial Payment - Defined.....	.1
When Initial Payment is Made.....	.2
Retroactive Initial Payment.....	.3

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Changes in Amount of Payment	44-325
When Change is Effective.....	.1
Discontinuance.....	.2
Cancellation or Reduction of the Second Installment of a Month's Aid Payment.....	.3
Delayed Payment	44-327
Federal and State Participation .....	.1
Factors Causing Delay in Payment .....	.2
Underpayments	44-340
General.....	.1
Investigation of Underpayments .....	.2
Calculating the Underpayments .....	.3
Correction of the Underpayment.....	.4
Retroactive Payments Exemption .....	.6
Repealed by SDSS Manual Letter No. EAS-89-06, effective 10/1/89 .....	.7
Overpayments - General	44-350
General.....	.1
Definitions.....	.2
Investigation of Overpayments .....	.3
Aid Paid Pending .....	.4
Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action .....	.5
When Overpayments Will Not Be Assessed.....	.6

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Methods of Overpayment Recovery	44-351
Voluntary Cash Recoveries .....	.1
Voluntary Grant Offset .....	.2
Balancing .....	.3
Overpayment Recoupment.....	44-352
Calculation of the Overpayment .....	.1
Amount That Can Be Recovered .....	.2
Priority Order for Overpayment Recoupment.....	.3
Methods of Recovery .....	.4
Referral to Special Investigative Unit (SIU).....	.5
| Repealed by Manual Letter No. EAS-01-04, effective 1/8/01	44-353
Mandatory Inclusion Overpayment/Underpayment.....	44-355
Mandatory Person - Presence Unknown1
Current Eligibility2

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CHAPTER 44-300 AID PAYMENTS

44-301 MONEY PAYMENT PRINCIPLE 44-301

Each individual or family has the right to manage his/her own affairs; to decide what use of his/her money, including the aid payment, will best serve his/her interests; and to make his/her purchases through the normal channels of exchange, to enjoy the same rights and to discharge his/her responsibilities in the same manner as other members of the community.

Aid payments shall be made in conformity with the money payment principle except when a problem in money management exists (see Section 44-307); when authorized sanctions are applied when a person fails without good cause to cooperate in the WIN Demo or GAIN Programs (see Section 42-691 or 42-786); when protective payments are made in noncooperation child support cases (see Sections 43-106 and 43-107.1); when money management is required under GAIN (see Section 42-785); or when directed by the Services System to make payments to a protective payee or to a vendor or vendors (see Section 44-307).

Aid payments are for the benefit of the recipient only and do not constitute income to any other person.

44-302 PAYMENT BY ELECTRONIC FUND TRANSFER 44-302

.1 Payment by Direct Deposit

Notwithstanding Section 25-301, direct deposit of assistance payments must be made available to CalWORKs recipients in all counties that offer a program of direct payroll deposit to some or all of their employees.

.11 The CWD shall notify recipients of the option to receive benefits by direct deposit at the time of application or redetermination.

.12 The recipient can request at anytime to receive direct deposit.

.13 The recipient shall be eligible for direct deposit for the duration they are on aid.

.2 Payment by Electronic Benefit Transfer (EBT)

Pursuant to Section 16-001.3, counties may elect to use the EBT system to issue cash benefits.

NOTE: Authority cited: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code. Reference: Sections 10072 and 11006.2, Welfare and Institutions Code.

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44-303	AID PAYMENTS - DEFINED	44-303
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Aid payments are:

- .1 Money payments, i.e., payments delivered unconditionally to the recipient or family or to the legally appointed guardian or conservator of the recipient's estate, with no state or county control of the use of the payments.

When a staff person in the county welfare department or in the State Department of Social Services serves as a substitute payee or as a court appointed guardian or conservator for the recipient, as provided in Sections 40-107.2 and 30-222.6, his/her determinations regarding utilization of the aid payments on behalf of the recipient do not constitute "state or county control" within the meaning of this section. However, care shall be taken to leave the recipient as much control over the use of the payment as possible and consistent with conditions.

or

- .2 Protective payments, i.e., assistance payments made to a substitute payee serving as representative of the recipient or family (see Section 44-309).

or

44-303	AID PAYMENTS - DEFINED (Continued)	44-303
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| .3 | Vendor payments, i.e., payments made directly to a person or agency supplying goods or services to the recipient or family. Vendor payments are applicable: |
| .31 | In all aids, for payments on home repairs under special shelter payment provisions; and |
| .32 | In CalWORKs, for use in certain Homeless Assistance cases (see Section 44-211.5); and |
| .33 | In CalWORKs cases in which a member of the AU becomes ineligible for aid due to a felony conviction related to the use or distribution of a controlled substance (see Section 44-307.11); and |
| .34 | In CalWORKs cases in which a parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months (see Section 44-307.12). |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11453.2, and 17012.5, Welfare and Institutions Code; Family Support Act of 1988, Public Law (PL) 100-485, October 13, 1988 and California Department of Health Services Manual Letter 77-1.

44-304	AID PAYMENT SCHEDULES	44-304
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| | .1 Forwarding of Warrants | When a CalWORKs warrant is mailed, the envelope containing the warrant shall bear a statement that the warrant is not to be forwarded and that an address correction is requested (Welfare and Institutions Code Section 11006.4). |
| | .2 Frequency of Delivery | Except for counties with approved alternate payment systems counties shall select either semimonthly or monthly delivery of payments. |
| | .3 Changes in Frequency | Counties shall, when electing to change frequency of delivery: |
| | .31 CDSS Notification | Notify CDSS in writing at least 90 calendar days prior to converting from one payment frequency to another. |
| | .32 Recipient Notification | Notify all recipients of CalWORKs in writing at least 30 calendar days prior to converting from one payment frequency to another. |

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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| <p>.4 Recipient Option</p> | <p>Counties opting for a monthly payment system shall be permitted to offer recipients the option of receiving semimonthly payments on a case-by-case basis. The total number of recipients receiving semimonthly payments shall not exceed 50% of the county's caseload.</p> |
| <p>.5 Standard Delivery Dates</p> | |
| <p>.51 Semimonthly Delivery</p> | <p>The county shall deliver ongoing payments as follows when the county has selected semimonthly delivery:</p> |
| <p>.511 First Warrant</p> | <p>Section 44-304.511(MR) shall become inoperative and Section 44-304.511(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p> |
| <p>(MR)</p> | <p>The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of the payment month unless the county received the completed CW 7 after the tenth day prior to the end of the report month.</p> |
| <p>(MR)</p> | <p>If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month if possible, but not later than the tenth calendar day of the payment month.</p> |
| <p>(QR) First Warrant</p> | <p>The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the QR Payment Quarter unless the county received the completed QR 7 after the tenth day prior to the end of the QR Submit Month.</p> |

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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		<p>If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next QR Payment Quarter if possible, but no later than the tenth calendar day of the first month of the next QR Payment Quarter.</p>
.512	Second Warrant	<p>Section 44-304.512(MR) shall become inoperative and Section 44-304.512(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p>
(MR)		<p>The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the 15th calendar day of the payment month.</p>
(QR)		<p>The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by no later than the 15th calendar day of each month of the QR Payment Quarter.</p>
.52	Monthly Delivery	<p>Section 44-304.52(MR) shall become inoperative and Section 44-304.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p>
(MR)		<p>The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month unless the completed CW 7 is received after the tenth day prior to the end of the report month.</p>

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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(MR)	If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the payment month if possible, but not later than the tenth day of the payment month.
(QR)	The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of each month of the QR Payment Quarter unless the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month.
(QR)	If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the first month of the next QR Payment Quarter if possible, but not later than the tenth day of the first month of the next QR Payment Quarter.
.53	Notwithstanding Section 44-304.52, counties opting to use the EBT system shall issue cash benefits pursuant to Section 16-215.
.6 Exceptions to Standard Delivery Date	The county shall deliver:
.61 Holiday/Weekends	On the last postal delivery day preceding a holiday or weekend when the holiday or weekend will delay delivery past the specified date of delivery.
.611	With respect to electronic fund transfer, when a payment date falls on a weekend or holiday, funds shall be electronically transferred so that the funds are available on the first day of that month to recipients using direct deposit and available on the designated payment date to recipients using EBT pursuant to Section 16-215.

HANDBOOK BEGINS HERE

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| (a) | Example: | If the payment date is on a Monday and Monday is a holiday, the electronic fund transfer must be made in time to ensure that the funds are available on the first of the month for recipients using direct deposit and available by the designated payment date for recipients using EBT. |
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| .62 | Initial Payment | Initial payments promptly but no later than 10 calendar days after authorization of aid or the beginning date of aid, whichever is later. |
| .63 | Other Types of Delivery | Payment to the recipient on the last working day prior to the specified delivery date when the payment is to be delivered by means other than the mail. |
| .64 | Late Payments | Payments that cannot be authorized before the date for regular aid payments as soon as administratively feasible. |
| .65 | Out-of-County | Payments out of the county as soon as administratively feasible. |
| .66 | Vendor Payments | Payments according to specified intervals to third parties or vendors when requested by the recipient or when made in accordance with Section 44-303.3. |
| .7 | Recipient Dies | If a warrant is cashed or a direct deposit electronic fund transfer is made, but the recipient subsequently dies or becomes ineligible for aid there is no right to recovery. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 10072, 10553, 10554, 11006.2, 11251.3, 11265.1, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order.

44-305	AID PAYMENTS - PAYEE AND DELIVERY	44-305
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.1 To Whom Paid and Delivered

HANDBOOK BEGINS HERE

- .11 For Payee and Delivery requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.4.

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.12 Child Living with Parent or Relative

- .121 If a child is living with a caretaker relative, the warrant shall be paid only to the caretaker relative unless such relative has a legally appointed guardian or conservator or there is a substitute payee or there is a vendor designated to receive payment (see Section 44-307). In such cases, the warrant is paid to the guardian, conservator, substitute payee or vendor.
- .122 If the caretaker relative is temporarily absent from the home, the warrant may be paid to a person designated by the caretaker relative.
- .123 The warrant is to be delivered only to the payee or otherwise according to the payee's instructions. If there is an emergency, the warrant may be delivered to a person acting temporarily for the parent or relative payee. (See Section 25-530.2.)

.13 Repealed by Manual Letter Number 81-62 (1/1/82)

.2 Alternate Payment System

- .21 A county may develop a plan that divides its cases into groups and pays aid to these cases on dates other than the first and fifteenth of the calendar month, in order to allow payment dates to be spaced evenly throughout the calendar month.
- .22 Such an alternate payment system must receive written approval of the California Department of Social Services before it may be implemented. The plan must provide that:
- .221 Each recipient shall be assigned a recurring, specified aid payment period. The budget period shall correspond to this payment period.
- .222 The aid payment shall be issued by mail or by direct deposit electronic fund transfer in time to be available to the recipient on the dates specified under Section 44-305.23.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .223 Upon changing aid payment periods for any recipient, the recipient shall be provided a payment for the prorated amount of aid for the interim period between the end of the old payment period and the beginning of the new payment period. The prorated payment shall be made on the old aid payment delivery date.
- .224 Under the alternate payment system, references to month in the regulations shall be interpreted to mean the assigned aid payment or budget period.
- .225 Upon approval of the plan by the state and the assignment of an applicant to an alternate payment period, the recipient shall be informed of the payment period, budget period and dates he can expect his aid payment.
- .23 Aid payments to CalWORKs families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:
 - .231 Section 44-305.231(MR) shall become inoperative and Section 44-305.231(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of the assigned payment period, unless the county received the completed CW 7 after the tenth day prior to the end of the assigned report period. If the CW 7 is received after the tenth day prior to the end of the assigned report period, but on or before the first day of the assigned payment period, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the assigned payment period if possible, but not later than the tenth day of the assigned period.
 - (QR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the assigned QR Payment Quarter, unless the county received the completed QR 7 after the tenth day prior to the end of the assigned QR Submit Month. If the QR 7 is received after the tenth day prior to the end of the assigned QR Submit Month, but on or before the first day of the next assigned QR Payment Quarter, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the next assigned QR Payment Quarter if possible, but not later than the tenth day of the first month of the next assigned QR Payment Quarter.
- .232 The county shall place the second warrant in the mail or complete the second direct deposit electronic fund transfer in time to be available to the recipient by the 15th day of the assigned payment period.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .24 The exceptions to standard delivery dates specified in Section 44-304.6 shall be applicable to counties that have alternate payment systems.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 11006.2, 11254, and 11256.1, Welfare and Institutions Code; 45 CFR 233.29, 45 CFR 233.31(b)(4) and 45 CFR 233.32.

44-307	VOUCHER/VENDOR PAYMENTS	44-307
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| .1 | Voucher/Vendor Payments | A county shall issue vouchers or vendor payments for at least rent and utilities payments in the following instances: |
| .11 | Felony Conviction | A member of the AU becomes ineligible for aid due to a felony conviction after December 31, 1997, related to the possession, use, or distribution of a controlled substance, or |
| .12 | Sanction | Any parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months. The vouchers or vendor payments shall continue until the parent or caretaker relative is no longer subject to sanction. |
| .2 | Grant not Sufficient | When the computed grant is not sufficient to cover both rent and utilities, the county shall issue a voucher or vendor payment for the full amount of the grant. The voucher or vendor payment may be for rent, utilities, or some portion of either. |

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| .21 | Example: | Recipient's rent for a given month \$500. |
| | | Utilities for the month \$100. |
| | | Grant for the month \$400. |
| | | The county could either send a \$400 voucher to the landlord or send a \$100 voucher to the utility company and a \$300 voucher to the landlord. |

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44-307	VOUCHER/VENDOR PAYMENTS (Continued)	44-307
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| .3 | Untenable Living Situation | Counties shall establish procedures to accommodate recipients who notify the county fourteen calendar days prior to the issuance of the next rental payment that they wish to withhold all or part of their rent due to an untenable living situation. |
| .4 | Change of Address | If a recipient notifies the county fourteen calendar days prior to the issuance of the next regular rental payment that he/she intends to move, the county shall arrange to send the next rental payment to the new landlord. |
| .5 | Optional Voucher/Vendor Payments | Counties have the option of issuing voucher or vendor payments in the following instances: |
| .51 | Other Need Items | When vouchers or vendor payments are issued pursuant to Section 44-307.11 or .12, counties have the option to issue additional vouchers or vendor payments for other need items if they deem it in the best interest of the recipient child(ren), or |
| .52 | Over Time Limit | When an adult is removed from the AU after reaching the 60-month time limit specified in Section 42-302.1, counties have the option of providing aid to the AU in the form of vouchers or vendor payments. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11320.15, 11450.13, 11453.2, and 17012.5, Welfare and Institutions Code; and Section 1942, Civil Code.

44-309	PROTECTIVE PAYMENTS	44-309
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Choosing, appointing and reviewing protective payees.

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| .1 | When the parent or needy caretaker relative is excluded from the assistance unit pursuant to Section 82-832.21 or 42-786, the payment for the assistance unit shall be made in its entirety by protective payments provided the county is able to locate an appropriate protective payee. See Section 44-310 for exceptions to protective payment requirements. |
| .11 | The recipient's inability to manage money need not be established. |
| .12 | Repealed by Manual Letter No. 85-04 (Effective 1/18/85) |

44-309	PROTECTIVE PAYMENTS (Continued)	44-309
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- .13 The protective payee shall be selected using the following criteria:
 - .113 Interest in or concern with the recipient's welfare.
 - .114 Existence of a positive relationship with the recipient.
 - .115 Accessibility to the recipient.
 - .116 Good character and reliability (see also Section 40-107.2 for recipient's right to choose).
- .14 At least every three months, the way in which the protective payee's responsibilities are carried out shall be reviewed.
- .15 Protective payments will be terminated with return to money payment status only upon compliance by the parent or needy caretaker relative with the provisions of Sections 43-106 and/or 107, or Section 42-786.

NOTE: The above function shall be funded under Title IV-A of the Social Security Act.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code; and California Department of Health Services Manual Letter 77-1.

44-310	EXCEPTIONS TO PROTECTIVE PAYMENT REQUIREMENTS	44-310
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- .1 Protective payments under Sections 42-691.233, 42-786.5 and 44-309 are not required if, after making all reasonable efforts (see .2 below), the county is unable to locate an appropriate individual to whom protective payments can be made. In this case, the county shall continue to make payments on behalf of the remaining members of the assistance unit to the sanctioned caretaker.
- .2 At a minimum, reasonable efforts on the part of the county to locate a protective payee shall include the following actions:
 - .21 Inform the sanctioned individual that the county is required to make protective payments if it is able to locate an appropriate protective payee.
 - .22 Ask the sanctioned individual to name a person who can act as the protective payee, and explain the selection criteria of Section 44-309.13 to the sanctioned individual.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: California Department of Health Services Manual Letter 77-1.

44-311	COST-OF-LIVING ADJUSTMENTS	44-311
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Grant and benefit levels are adjusted annually on July 1 to reflect changes in the cost of living as provided by statute (see W&IC Sections 11453 and 13100). This section does not apply to foster care rates for AFDC children.

44-313	BUDGETING METHODS FOR AFDC-FG/U	44-313
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Section 44-313(MR), Introductory Paragraphs, shall become inoperative and Section 44-313(QR), Introductory Paragraphs, shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Budgeting is the activity used to compute the aid payment for a month for which eligibility exists (known as the payment month) using net nonexempt income, see Chapter 44-100, received in a corresponding month (known as the budget month). The two types of budgeting methods are prospective and retrospective. Under prospective budgeting, the budget month and the payment month are the same month. Under retrospective budgeting, the budget month is the second month prior to the payment month.

(MR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility, see Section 44-207, are considered on a prospective basis.

(MR) This section defines prospective and retrospective budgeting and specifies the appropriate method for various situations.

(MR) For the appropriate budgeting method to be used when an individual is added to or deleted from an existing assistance unit, see Section 44-313.4.

(QR) Budgeting is the activity used to compute the aid payments for a QR Payment Quarter for which eligibility exists using net nonexempt income, (see Chapter 44-100) that is reasonably anticipated to be received in the QR Payment Quarter. The budgeting method used is prospective budgeting.

(QR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility (see Section 44-207 and 44-316.324(QR)), are considered on a prospective basis.

.1 Prospective Budgeting

.11 Section 44-313.11(MR) shall become inoperative and Section 44-313.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Prospective budgeting is the method of computing an aid payment for a month using an estimate of the income reasonably expected to be received in that month. The estimate shall be based on the county's knowledge of past and current income and reasonable expectation of future income.

44-313 BUDGETING METHODS FOR AFDC-FG/U (Continued)**44-313**

(QR) Prospective budgeting is the method of computing an aid payment for a QR Payment Quarter using income that is reasonably anticipated to be received in that quarter (see Section 44-315.31(QR)) except for those mid-quarter changes where actual income is used as specified in Section 44-316.311(QR).

.111 Section 44-313.111(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Income from the QR Data Month, anticipated changes in income from the QR 7 and mid-quarter income changes as specified in Section 44-316 shall be considered when determining eligibility and cash aid for a QR Payment Quarter. Documentation shall be entered in the case that explains how income was projected in determining cash aid calculations. Case narrative entries shall include, but are not limited to, the following:

(a) Income the recipient reports that he/she expects to receive in the QR Payment Quarter.

(b) Whether reasonably anticipated income will be different than income that the recipient reported receiving for the QR Data Month as reported on the QR 7.

(c) Documentation of the reasons for not accepting the recipient's reasonable anticipated income if the information is questionable.

(d) Other information used to determine what income will be used in the cash aid calculations (verifications, employers' statements, case history, etc.) if the recipient's reasonable anticipated income is not used.

.12 Prospective budgeting shall be used to compute:

.121 Section 44-313.121(MR) shall become inoperative and Section 44-313.121(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The grant for the first and second months that AFDC is granted following a new application or reapplication, see Sections 40-103.41 and .43.

(MR) Example:

(MR) If the first month of aid is October, the aid payments for October and November are computed using estimates of income reasonably expected to be received in October and November.

(QR) The CalWORKs grant for each month in a QR Payment Quarter.

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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- .122 Section 44-313.122(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The grant for the first and second payment months of AFDC when aid is restored (see Section 40-103.42) following a break in aid of one calendar month or more.
- .123 Section 44-313.123(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) When aid is restored following a suspension, see Section 44-315.6.
- (MR) Example:
- (MR) If aid is discontinued March 31, and aid is restored to be effective anytime in May, the aid payments for May and June are computed using estimates of income reasonably expected in May and June.
- .2 Section 44-313.2(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Retrospective Budgeting
- (MR) .21 Retrospective budgeting is the method used to compute the AFDC grant for a month using income received in the second month prior to the payment month. Income information shall be obtained from the Monthly Eligibility Report (CA 7).
- (MR) .22 Retrospective budgeting is the method used to compute:
 - (MR) .221 The AFDC grant for the third and subsequent payment months, except that income from the budget month which was considered prospectively for any payment month and is not of a continuous nature shall not be counted, see Section 44-313.3(MR).
 - (MR) .222 The AFDC grant for the month following a suspension as required by Section 44-315.6.
 - (MR) .223 The AFDC grant for the month in which aid is restored following a break in aid of less than a calendar month provided:
 - (MR) (a) The assistance unit received an aid payment, received a zero grant, or would have received an aid payment except for the restriction on grants of less than \$10, for the immediately preceding two payment months; or
 - (MR) (b) The assistance unit was suspended in either of the two payment months immediately preceding discontinuance and retrospective budgeting was or is required by Section 44-315.6 where aid was or is restored following the suspension.

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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(MR) Example:

(MR) If aid is discontinued effective March 31, and aid is restored to be effective anytime in April, the grant for April is computed using income received in February, the grant for May is computed using income received in March, etc.

.3 Section 44-313.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income of a Continuous Nature

(MR) .31 For the third and fourth payment periods, the income already used to compute the grant for the first and second payment periods which is not of a continuous nature shall not be counted.

.4 Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit

.41 Sections 44-313.41(MR) et seq. shall become inoperative and Section 44-313.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The income of an eligible individual added to an existing assistance unit shall be budgeted prospectively for the first two payment months except in the following circumstances:

(QR) The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with Section 44-316.312(b)(QR) for each month of the QR Payment Quarter.

(MR) .411 When aid is restored following a break in aid from that assistance unit when the break in aid is less than one calendar month, retrospective budgeting shall continue. See Section 44-313.223(MR).

(MR) .412 When the added individual's income has been considered when determining the assistance unit's eligibility for the two months immediately preceding the beginning date of aid, retrospective budgeting shall be used.

HANDBOOK BEGINS HERE

(MR) EXAMPLE:

(MR) Situation: The assistance unit is in retrospective budgeting. An unaided stepparent has income deemed to the assistance unit in December and January. The stepparent is added to the assistance unit on the first day of February, and remains eligible in subsequent months.

HANDBOOK CONTINUES

44-313 BUDGETING METHODS FOR AFDC-FG/U (Continued)**44-313**

HANDBOOK CONTINUES

Budgeting: Retrospectively budget the stepparent's income deemed to the assistance unit in December to the February payment month. Retrospectively budget the stepparent's income deemed in January to the March payment month. Retrospectively budget all the stepparent's net nonexempt income received in February to the April payment month.

HANDBOOK ENDS HERE

- (MR) .413 When the added individual's income has been considered when determining the assistance unit's eligibility for only the first month immediately preceding the beginning date of aid, his/her income shall be retrospectively budgeted in the second month of aid.

HANDBOOK BEGINS HERE

(MR) EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. A second parent moves into the home in January and applies for aid. Eligibility conditions are met at the end of January. The second parent is added to the assistance unit effective the first of February, and remains eligible in subsequent months.

Budgeting: Compute the second parent's income considered available to the assistance unit in January according to 44-133.3, and retrospectively budget this amount to the March payment month. Prospectively budget the second parent's net nonexempt income expected to be received in February to the February payment month. In addition, retrospectively budget the second parent's net nonexempt income received in February to the April payment month, if the income is of a continuous nature. (See Section 44-313.3(MR).) Retrospectively budget the second parent's net nonexempt income received in March to the May payment month.

HANDBOOK ENDS HERE

- .42 Section 44-313.42(MR) shall become inoperative and Section 44-313.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) The income received during the budget month by an individual deleted from an assistance unit shall not be considered income to the assistance unit for retrospective budgeting in any payment month following his or her discontinuance except in the following circumstance:

- (QR) The income of an individual deleted from an AU shall not be considered income to the AU for budgeting purposes in any month(s) following his or her discontinuance except in the following circumstance:

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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.421 Section 44-313.421(MR) and Handbook Section 44-313.421(MR) shall become inoperative and Section 44-313.421(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the person remains in the home following discontinuance and has income which is considered available to the assistance unit under Section 44-133, retrospective budgeting shall continue.

HANDBOOK BEGINS HERE

(MR) EXAMPLE 1:

A child with income moves from the home in July. The child's needs are not considered for eligibility in August. Therefore, his/her June income is not considered when computing the grant paid in August.

(MR) EXAMPLE 2:

Situation: The assistance unit is in retrospective budgeting, and in January and prior months consisted of stepfather, mother and her separate child. Stepfather begins working full time and is removed from the assistance unit as of February 1. The stepfather remains in the home, and his income is deemed to the assistance unit according to 44-133.6 in February and subsequent months.

Budgeting: Retrospectively budget all the net nonexempt income received in November by the three-person assistance unit to the January payment month. Retrospectively budget all the net nonexempt income received in December by the three-person assistance unit to the February payment month. Retrospectively budget all of the net nonexempt income received in January by the three-person assistance unit to the March payment month. Retrospectively budget the net nonexempt income received in February by the two-person assistance unit, including the income deemed from the stepparent in February, to the April payment month. Note: This budgeting method is used even when the stepparent's income is not actually considered available to the family because the stepparent's needs and other deductions allowed under 44-133.6 are greater than the income.

HANDBOOK ENDS HERE

(QR) When the person remains in the home following discontinuance and has income which is considered available to the AU under Section 44-133, prospective budgeting shall continue.

.5 Budgeting in Approved Alternate Payment Systems

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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- .51 Apply the requirements of 44-313 to approved alternate payment systems (see Section 44-305.3). Substitute references to "month" with phrase "28- to 31-day period not limited to a calendar month."
- .6 Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG AND AFDC-U
- .61 Section 44-313.61(MR) shall become inoperative and Section 44-313.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The budget period for the month of transfer from the Refugee Resettlement or Cuban/Haitian Entrant Programs to AFDC-FG or AFDC-U shall be the second prior calendar month (retrospective budgeting) unless the family did not receive refugee or Cuban/Haitian entrant cash assistance in the second prior calendar month.
- (QR) Prospective budgeting shall continue for recipients transferred from the Refugee Resettlement or Cuban/Haitian Entrant Programs to CalWORKs.
- .62 Section 44-313.62(MR) and Welfare and Institutions Code Section 11265.3 shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) If the family did not receive cash assistance in the second prior calendar month, but did in the prior calendar month, the budget period for the month of transfer shall be the concurrent month. The budget period for the following month shall be the corresponding second prior calendar month.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

44-314	MAXIMUM FAMILY GRANT (MFG)	44-314
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- .1 Definitions
- The following definitions pertain only to Section 44-314.
- .11 Break-in-Aid
- Section 44-314.11(MR) shall become inoperative and Section 44-314.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration.

Regulations	STANDARDS OF ASSISTANCE AID PAYMENTS	44-314 (Cont.)
44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
(MR)	For MFG purposes the following conditions will be considered a month in which the assistance unit (AU) did not receive cash aid:	
(MR)	Months in suspense as defined in Section 44-315.8(MR).	
(MR)	A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or	
(MR)	A month in which the reunification family does not receive a cash aid payment pursuant to Section 82-812.683.	
(QR)	For MFG purposes the following conditions will be considered a month in which the AU did not receive cash aid:	
(QR) .111	A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or	
(QR) .112	A month in which the reunification family does not receive a cash aid payment pursuant to Section 83-812.683.	
.12 Law Enforcement Agency	Law enforcement agency includes federal, state, and local law enforcement agencies.	
.13 Mental Health Professional	Mental health professional means a person who is licensed by the State of California to provide counseling services.	
.14 MFG Child	MFG child means the child, or children in the case of a multiple birth, that is not included in the AU size for the purpose of determining the MAP.	
.15 Received Aid	Received aid means received cash aid for himself/herself or on behalf of his/her eligible child(ren). This includes:	
.151	A sanctioned parent who has a protective payee.	
.152	A minor that receives aid as a child and who subsequently becomes a minor parent.	

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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| .2 | MFG | When a child is born into an AU that has received aid for at least ten months immediately prior to the birth, the child shall not be included in the AU size for the purpose of determining the MAP. For MFG purposes, will be considered as a month in which the AU did not receive aid. |
| .3 | MFG Application | The MFG applies when: |
| .31 | Notice | The AU has received written notice of the MFG at least ten months prior to the birth of the child, and |
| .32 | No Break in Aid | The AU has not had a break in aid of at least two consecutive months during the ten months immediately prior to the month of birth of the child. |
| .4 | Continue MFG | The MFG continues to apply until the AU has not received aid for at least 24 consecutive months. |
| .5 | MFG Exemptions | MFG shall not apply when: |
| .51 | Rape | The child was conceived as a result of an act of rape, as defined in Sections 261 and 262 of the Penal Code, and |
| .511 | | The rape has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of rape prior to, or within three months after, the birth of the child. |
| (a) | | The recipient shall provide written verification from one of the entities listed above, that the incident of rape was reported and the date that the report was made. |

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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| .52 | Incest | The child was conceived as a result of incest, as defined in Section 285 of the Penal Code, and |
| .521 | | Paternity has been established, or |
| .522 | | The incest has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of incest prior to, or within three months after, the birth of the child. |
| | (a) | The recipient shall provide written verification from one of the entities listed above that the incident of incest was reported and the date the report was made. |
| .53 | Contraceptive Failure | It is medically verified that the child was conceived as a result of the failure of: |
| .531 | | An intrauterine device, or |
| .532 | | Norplant, or |
| .533 | | The sterilization of either parent. |
| .54 | Unaided Caretaker Relative | The child was conceived while either parent was an unaided nonparent caretaker relative. |
| .55 | Not Living With Parent | The child is not living with either parent. |
| .56 | Teen Parent/Former Teen Parent | A teen parent/former teen parent, who has met the age requirements in Section 42-101 at the time the child was born, establishes his/her own AU. When this occurs, the MFG rule shall not apply to: |
| .561 | | Any existing child of the teen parent/former teen parent, or |
| .562 | | Any new child born to the teen parent/former teen parent during the first ten months after establishing his/her own AU. |

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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.6	MFG Child Eligibility	The MFG child is eligible for and a recipient of aid including special needs.
.61	MBSAC	The MFG child is included in the AU size for the MBSAC.
.62	Child Support	Any child support payments for the MFG child shall be given to the AU and exempt from consideration as income. For treatment as a resource, see MPP Section 42-211.2.
.621		Benefits from the Social Security Administration or other government programs that are based on an absent parent's disability or retirement and paid to, or on behalf of, the MFG child shall be considered child support for MFG purposes.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11203, 11265.2, 11450.04(a), (b)(1), (2) and (3), (d)(1), (2) and (3), and (e), Welfare and Institutions Code; Sections 261, 262, and 285, Penal Code; Nickols v. Saenz, Case Number 310867, August 25, 2000; and Kehrer v. Saenz, Case Number 99CS02320, January 22, 2001.

44-315	AMOUNT OF AID	44-315
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| .1 | Definitions | These definitions are specific to and for purposes of this section. |
| .11 | Net Nonexempt Income | "Net Nonexempt Income" means all earned income and disability-based unearned income less applicable disregards, plus any unearned income. |

HANDBOOK BEGINS HERE

[See Chapter 44-100 to determine net nonexempt income.]

HANDBOOK ENDS HERE

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| .12 | Grant Amount | "Grant Amount" means the amount of cash aid which is to be paid to the AU for a given month. |
| .13 | Potential Grant | Potential Grant" means the subtotal after the net nonexempt income is subtracted from the MAP plus special needs for the family. The potential grant may equal the grant amount if the potential grant is equal to or less than the MAP plus any special needs for the AU only. |
| .2 | County Responsibility | The county is responsible for computing the amount of aid payment when: |
| .21 | Granted | Aid is granted or restored; |
| .22 | Redetermination | A redetermination of eligibility is made; |
| .23 | Change | There is a change in need, income, or other factors affecting the amount of aid to which the recipient is eligible. |
| .3 | Amount of Grant | The county shall calculate the amount of grant as follows: |
| .31 | | Section 44-315.31(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration. |

44-315 AMOUNT OF AID (Continued)
44-315

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| (QR) Reasonably Anticipated Monthly Income | The reasonably anticipated monthly income shall be used to determine cash aid for the QR Payment Quarter. |
| (QR) .311 | Income shall be considered to be reasonably anticipated if the county determines that: |
| (QR) (a) | The income has been or will be approved or authorized within the next QR Payment Quarter, or the household is otherwise reasonably certain that the income will be received within the QR Payment Quarter; and |
| (QR) (b) | The amount of the income is known. |
| (QR) .312 | If necessary, the county may require the recipient to provide one or more months of the previous quarter's income when the county needs more information to determine what income is reasonably anticipated for the next QR Payment Quarter. |
| (QR) .313 | That portion of the AU's income which is uncertain or cannot be reasonably anticipated, in accordance with Section 44-101(c)(1)(QR), will not be counted when determining income eligibility and cash aid. |
| (QR) .314 Determine if Income Will Be Continued or Be Different | The county shall determine whether the reasonably anticipated monthly income is expected to be different from the income reported for the QR Data Month for one or more months during the next QR Payment Quarter or whether the monthly income reported for the QR Data Month is expected to continue during each month of the next QR Payment Quarter. |
| (QR) .315 Income Expected to Continue | |
| (QR) (a) Weekly/Bi-Weekly Payments | Under the following circumstances the county shall add weekly or bi-weekly (every other week) Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor (see Section 44-315.315(b)(QR)) shall be applied: |

44-315 AMOUNT OF AID (Continued)

44-315

(QR) (1)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming quarter compared to the Data Month income actually reported on the QR 7, and the county is in agreement with the AU's report of no change in income; or

(QR) (2)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next QR Payment Quarter will not change from what was reported in the Data Month on the QR 7; or

(QR) (3)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter and the new amount is known and that the amount will remain the same for the entire QR Payment Quarter and the county is in agreement with the AU's report of the change in income.

HANDBOOK BEGINS HERE

Example 1:

The recipient reports on the QR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95. The recipient also indicated on the QR 7 that his/her income is not expected to change during the next QR Payment Quarter compared to the income reported on the QR 7. The county will add the four weeks of income together, divide by four and then factor the resultant amount by 4.33 (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next QR Payment Quarter. If five pay periods were reported in the Data Month on the QR 7, the county will add each week together and divide by five and then factor the resultant amount by 4.33.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

Example 2: The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The county consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the county determines that the income reported in the Data Month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore, the county would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (In this example, because the \$100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary.)

Example 3: The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that bi-weekly income of \$200 was received in the Data Month and marks on the QR 7 that this income amount will increase to a bi-weekly income of \$250 and will remain the same for the entire next QR Payment Quarter. The county agrees with the recipient's QR 7 information and applies the 2.167 conversion factor to the \$250 bi-weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (In this example, because the \$250 weekly amount remains the same for each pay period, the step requiring that the bi-weekly amounts be added together and divided by the number of pay periods is not necessary.)

HANDBOOK ENDS HERE

44-315	AMOUNT OF AID (Continued)	44-315
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(QR) (b)	The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.
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(QR) (c)	The conversion factors can only be used if reasonably anticipated weekly and bi-weekly payments are reasonably anticipated to be paid throughout the entire QR Payment Quarter for each week or for every other week in the QR Payment Quarter. For reasonably anticipated income that is not paid weekly or bi-weekly for one or more months of the QR Payment Quarter, the total monthly reasonably anticipated income amounts shall be added together and averaged over the months of the QR Payment Quarter, by adding each month total income and dividing by the number of months in the QR payment quarter.
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HANDBOOK BEGINS HERE

Example:	The recipient reports on the QR 7 that she is paid on a weekly basis except she only works three weeks in a month and indicates that this frequency of pay will remain the same throughout the next QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, and \$135. The county will add the three weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the conversion factor cannot be applied.
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HANDBOOK ENDS HERE

(QR) (d)	Monthly/Semi-Monthly Payments	For income that is received monthly or semi-monthly (two times a month) and is expected to continue, the county shall use the total monthly income amount reported on the QR 7 for the QR Data Month to calculate cash aid for the next QR Payment Quarter. The conversion factors shall not be used for income that is received monthly or semi-monthly.
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HANDBOOK BEGINS HERE

Example:	The recipient reports on the QR 7 that monthly income of \$500 received in the QR Data Month will continue for the QR Payment Quarter. The county shall use the \$500 monthly income total to calculate cash aid.
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HANDBOOK ENDS HERE

(QR) .316	Income Expected to Be Different	<p>For income that is reasonably anticipated to be different for one or more months of the QR Payment Quarter, the monthly income amounts shall be averaged over the months of the QR Payment Quarter by adding each month's total income and dividing that total by the number of months in the QR Payment Quarter.</p> <p>If this income is paid on a weekly or bi-weekly basis, the county shall determine the number of pay periods and their amounts reasonably anticipated to be received during each month of the QR Payment Quarter to compute the reasonably anticipated income total for each month.</p>
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HANDBOOK BEGINS HERE

Example:	<p>A recipient is in a January/February/March quarter. The recipient indicated on the QR 7 that weekly income of \$100 per week was received in the QR Data Month and that this income will not continue during the April/May/June quarter. The county consults with the recipient and determines that the \$100 per week pay will only be received until the second week of May. The recipient will begin a new job on June 1 and anticipates receiving a monthly income of \$500. There are five pay periods in April, and four pay periods in May.</p>
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HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

Once the monthly income amounts for each month of the QR Payment Quarter have been determined, add the reasonably anticipated income for each month of the quarter and divide by the number of months in the QR Payment Quarter to arrive at a reasonably anticipated monthly income. The county shall use the reasonably anticipated monthly income to calculate cash aid for the QR Payment Quarter.

The county will compute income for the new quarter as follows:

April	\$500
May	\$200
June	\$500
Total Quarter income	\$1200

The reasonably anticipated monthly income is \$400 (\$1200 divided by the number of months in the QR Payment Quarter).

The reasonably anticipated income for each month of the QR Payment Quarter \$400.

HANDBOOK ENDS HERE

(QR) .317 Determination of Aid Based
on Mid-Quarter Changes

When a recipient mid-quarter report or a county initiated action changes the amount of cash aid, except as provided in Section 44-316.312(a)(3)(QR), the county shall determine the grant amount by adding the monthly income for the remaining months of the QR Payment Quarter then dividing by the number of months remaining in the QR Payment Quarter. The county shall use the reasonably anticipated monthly income to calculate cash aid for the remainder of the QR Payment Quarter.

.32 "Family" MAP

Determine the Maximum Aid Payment (MAP) for all family members whose needs are considered in the payment month. The MAP is set forth in Welfare and Institutions Code Section 11450.

HANDBOOK BEGINS HERE

.321 MBSAC and MAP Levels

(a) REGION 1 MBSAC/MAP STANDARDS

<u># in AU</u>	<u>MBSAC</u>	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
		<u>MAP</u>	<u>80%</u>	<u>MAP</u>	<u>80%</u>
1	423	373	298	336	269
2	693	613	490	548	438
3	859	758	606	679	543
4	1022	901	721	809	647
5	1165	1027	822	920	736
6	1310	1153	922	1033	826
7	1439	1267	1014	1136	909
8	1567	1382	1106	1237	990
9	1699	1492	1194	1336	1069
10 or more**	1844	1603	1282	1435	1148

REGION 2 MBSAC/MAP STANDARDS

<u># in AU</u>	<u>MBSAC</u>	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
		<u>MAP</u>	<u>80%</u>	<u>MAP</u>	<u>80%</u>
1	402	355	284	319	255
2	659	584	467	521	417
3	817	723	578	647	518
4	972	859	687	770	616
5	1108	980	784	876	701
6	1245	1100	880	984	787
7	1367	1209	967	1079	863
8	1490	1316	1053	1177	942
9	1615	1424	1139	1272	1018
10 or more*	1754	1528	1222	1366	1093

* See MPP Section 89-110.2 for definition of Exempt and Nonexempt AUs.

** For MBSAC add fourteen dollars (\$14) for each additional needy person.

MBSAC Levels effective 10/01/01, MAP Levels effective 10/01/01.

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

REGION 1 COUNTIES

REGION 2 COUNTIES

Alameda	Orange	Santa Clara	Alpine	Lake	San Bernardino
Contra Costa	San Diego	Santa Cruz	Amador	Lassen	San Joaquin
Los Angeles	San Francisco	Solano	Butte	Madera	Shasta
Marin	San Luis Obispo	Sonoma	Calaveras	Mariposa	Sierra
Monterey	San Mateo	Ventura	Colusa	Mendocino	Siskiyou
Napa	Santa Barbara		Del Norte	Merced	Stanislaus
			El Dorado	Modoc	Sutter
			Fresno	Mono	Tehama
			Glenn	Nevada	Trinity
			Humboldt	Placer	Tulare
			Imperial	Plumas	Tuolumne
			Inyo	Riverside	Yolo
			Kern	Sacramento	Yuba
			Kings	San Benito	

HANDBOOK ENDS HERE

.33 Add Special
Need Payment

Add any special need payment amounts for the family to the MAP.

44-315	AMOUNT OF AID (Continued)	44-315
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.34	Net Nonexempt Income	Round to the next lower dollar the net nonexempt income from the budget month including in-kind income.
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HANDBOOK BEGINS HERE

(See Chapter 44-100 for computing net nonexempt income.)

HANDBOOK ENDS HERE

.35	Potential Grant	Subtract the net nonexempt income amount from the MAP plus special need for the family. This is the potential grant amount.
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.36	AU MAP	Determine the Maximum Aid Payment (MAP) for the AU only. The MAP is set forth in Welfare and Institutions Code Section 11450.
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.37	Add Special Need Payments	Add any special need payments for the AU only to the MAP.
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.38	Actual Grant Amount	The actual grant amount is the lesser of the potential grant amount or the sum of the MAP plus special needs for the AU only.
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HANDBOOK BEGINS HERE

.381	For additional Amount of Aid requirements applicable to pregnant or parenting minors who are Cal-Learn participants, see Section 42-762.7.
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.39	Computation Examples
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Handbook Section 44-315.39(MR) shall become inoperative and Handbook Section 44-315.39(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children). The stepfather has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

\$ 775	Earned Income for the family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 728	"Family" MAP for four (mom, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 775	Total (MAP plus Special Needs)
<u>- 275</u>	Net Nonexempt Income
\$ 500	Potential Grant
\$ 611	Nonexempt AU MAP for three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 658	Total MAP plus Special Needs
\$500	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly Earned Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 839	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 886	Total (MAP plus special needs)
<u>- 275</u>	Net Nonexempt Income
\$ 611	Potential Grant

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

\$ 704	Nonexempt AU MAP for Three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 751	Total MAP plus Special Needs
\$ 611	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(MR) Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

\$ 300	Disability-based Unearned Income (SSDI)
<u>- 225</u>	\$225 Income Disregard
\$ 75	Nonexempt Disability-Based Income
\$ 800	Earned Income
<u>- 400</u>	50% Income Disregard
\$ 400	Nonexempt Earned Income
<u>+ 75</u>	Nonexempt Disability-Based Income
\$ 475	Total Net Nonexempt Income
\$ 611	Nonexempt MAP for three (Region 1)
<u>- 475</u>	Total Net Nonexempt Income
\$ 136	Grant Amount

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits (DBI) of \$100 per month based on an absent father's disability.

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900	Reasonably Anticipated Earned Income for January
<u>+ 800</u>	Reasonably Anticipated Earned Income for February
<u>+ 0</u>	Reasonably Anticipated Earned Income for March
\$1700	Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566.67	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter $1700/3 =$ (averaged monthly earnings)
\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Unearned Income Disregard
-\$125	Remaining Disregard
\$ 566.67	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less (remaining) Income Disregard
\$ 441.67	Subtotal
<u>- 220.84</u>	Less 50% Earned Income Disregard
\$ 220.83	Subtotal NNI
\$ 0.00	Add Reasonably Anticipated Monthly DBI
<u>+ 220</u>	Add Reasonably Anticipated Monthly Earnings
\$ 220	Total NNI [Rounded down]
\$ 799	MAP for AU of Four
<u>- 220</u>	Less NNI
\$ 579	New Monthly Grant for the QR Payment Quarter

(MR) Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	Disability-Based Unearned Income
<u>- 225</u>	\$225 Income Disregard
\$-75	Remainder of \$225 Income Disregard (\$225 - \$150)

HANDBOOK CONTINUES

HANDBOOK CONTINUES

\$ 775	Earned Income
<u>- 75</u>	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 700	Subtotal
<u>- 350</u>	50% Earned Income Disregard
=350	Nonexempt Earned Income
+ 0	Nonexempt Unearned Disability-Based Income
<u>+300</u>	Nonexempt Unearned Income (Veteran's Benefits)
\$ 650	Total Net Nonexempt Income
\$ 728	Nonexempt MAP for four (Region 1)
<u>- 650</u>	Net Nonexempt Income
\$ 78	Grant Amount

(QR) Mid-Quarter Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 375	Subtotal
<u>- 187.50</u>	50% Earned Income Disregard
\$ 187	Total Net Nonexempt Income [Rounded down]
\$ 704	Non-exempt MAP for Three, Region 1
<u>- 187</u>	Less Net Nonexempt Income
\$ 517	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200	Father's Reasonably Anticipated Earned Income for November
<u>+ 100</u>	Father's Reasonably Anticipated Earned Income for December
\$ 300	Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

\$ 150	Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter $\$300/2 = \150 (reasonably anticipated monthly income)
\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)
<u>+ 150</u>	Father's Reasonably Anticipated Earned Monthly Income
\$ 750	Total Net Nonexempt Income for the Potential AU
<u>- 225</u>	\$225 Income Disregard
\$ 525	Subtotal
<u>- 262.50</u>	50% Earned Income Disregard
\$ 262	Total Net Nonexempt Averaged Income [Rounded down]
\$ 839	Non-exempt MAP for Four, Region 1(includes eligible father)
<u>- 262</u>	Less Net Nonexempt Income
\$ 577	AU Monthly Grant Payment for the Remaining Months of the QR Payment Quarter

Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$60 is issued to the AU for November and the grant is increased to \$577 for the month of December.

HANDBOOK ENDS HERE

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| .4 | Special Needs | The amount of the Special Needs shall be calculated as follows: |
| .41 | | Round to the next lower dollar the amount of recurring special needs (see Section 44-211) the Assistance Unit (AU) is eligible to receive. |
| .42 | | Payment for recurring special needs shall be added to the amount determined payable as the basic grant, provided that the allowance available for each FBU per month for recurring special needs does not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet nonrecurring or pregnancy special needs shall be applied to meet the cost of recurring special needs. |

44-315	AMOUNT OF AID (Continued)	44-315
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.43	The amount determined in .421, up to limitation determined in .422, shall be paid in addition to the basic grant.
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.44	Round to the next lower dollar the amount of nonrecurring special needs (Section 44-211) the AU is eligible to receive.
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.45	Payment for nonrecurring special needs shall be added to the amount determined payable as the basic grant. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or pregnancy special needs shall be applied to meet the cost of nonrecurring special needs.
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.46	Payment for a pregnancy special need shall be added to the amount determined payable as the basic grant, provided that the pregnant woman has been determined to be eligible for such need in accordance with Section 44-211.4. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or nonrecurring special needs shall be applied to meet the cost of the pregnancy special need.
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.5	\$10 or More	If the amount determined in Section 44-315.38 is less than ten dollars (\$10), no payment shall be paid for that month. If the beginning date of aid is after the first of the month, and the amount of aid determined in Section 44-315.38 is to be prorated, and the prorated amount is less than ten dollars (\$10), no payment shall be paid for that month. Such cases shall be considered to have received a payment for all other purposes.
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		If the amount determined in Section 44-315.38 is ten dollars (\$10) or more, that amount is the total grant and, if there are no overpayment adjustments, shall be authorized as the aid payment.
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44-315	AMOUNT OF AID (Continued)	44-315
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| .6 | Payment in Installments | Aid need not be paid in equal installments. |
| .7 | Proration of AFDC-FG/U Grant | |
| .71 | | When the beginning date of aid is on the first day of the month, the recipient shall be entitled to receive a payment for the full month. |
| .72 | | When the beginning date of aid is after the first of the month (see Section 44-317) or when the last day of aid is before the last day of the month as in State-only AFDC-U Program (see Section 41-609), the total grant shall be prorated. The prorated grant shall be computed as follows: |
| .721 | | Determine the total monthly grant amount (see Section 44-315.38); |
| .722 | | Determine the actual number of days in the month; |
| .723 | | Divide this number into the monthly grant amount to determine the daily grant; |
| .724 | | Determine the total number of days for which the recipient is eligible in that month including the first and last day of aid for that month; |
| .725 | | Multiply this number by the daily grant amount to determine the prorated grant; |
| .726 | | If the prorated grant amount is not a whole dollar, then the prorated amount shall be rounded to the next lower whole dollar. (See Section 44-315.5 if this amount is less than ten dollars.) |

HANDBOOK BEGINS HERE

.73

Reciprocal Table for Computing Partial Month's
Payments Portion of Monthly Rate or Reciprocal
Table

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
1st	1.0000	1.0000	1.0000	1.0000	1st
2nd	.9643	.9655	.9667	.9677	2nd
3rd	.9286	.9310	.9333	.9355	3rd
4th	.8929	.8966	.9	.9032	4th
5th	.8571	.8621	.8667	.8710	5th
6th	.8214	.8276	.8333	.8387	6th
7th	.7857	.7931	.8	.8065	7th
8th	.75	.7586	.7667	.7742	8th
9th	.7143	.7241	.7333	.7419	9th
10th	.6786	.6897	.7	.7097	10th
11th	.6429	.6552	.6667	.6774	11th
12th	.6071	.6207	.6333	.6452	12th
13th	.5714	.5862	.6	.6129	13th
14th	.5357	.5517	.5667	.5806	14th
15th	.5	.5172	.5333	.5484	15th
16th	.4643	.4828	.5	.5161	16th
17th	.4286	.4483	.4667	.4839	17th
18th	.3929	.4138	.4333	.4516	18th
19th	.3571	.3793	.4	.4194	19th
20th	.3214	.3448	.3667	.3871	20th
21st	.2857	.3103	.3333	.3548	21st
22nd	.25	.2759	.3	.3226	22nd
23rd	.2143	.2414	.2667	.2903	23rd
24th	.1786	.2069	.2333	.2581	24th
25th	.1429	.1724	.2	.2258	25th

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
26th	.1071	.1379	.1667	.1935	26th
27th	.0714	.1034	.1333	.1613	27th
28th	.0357	.0690	.1	.1290	28th
29th		.0345	.0667	.0968	29th
30th			.0333	.0645	30th
31st				.0323	31st

EXAMPLE: The total monthly grant amount is \$150 (see Section 44-315.43). Aid is to begin on the 17th of March, and March has 31 days. The reciprocal for the 17th day of a 31-day month is .4839. The total monthly grant amount X the reciprocal = the prorated grant amount (\$150 x .4839 = \$72.5850). \$72.5850 is rounded to \$72 which is the amount of the payment (see Section 44-315.432 if the amount of the payment is less than ten dollars).

HANDBOOK ENDS HERE

<p>.8</p>	<p>Section 44-315.8(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.</p>
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(MR) Suspension

<p>(MR) .81</p>	<p>The county shall suspend, not discontinue, aid in the payment month when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The recipient need not reapply for aid for the month following the suspension, however, the recipient is required to complete a monthly report for the month of suspension. If it appears that the income or other circumstances from the budget month will result in ineligibility for more than one payment month, aid is discontinued.</p>
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<p>(MR) .82</p>	<p>Aid payments for the month following a suspension shall be computed using prior month budgeting if the family's circumstances have not changed significantly from the corresponding budget period.</p>
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44-315	AMOUNT OF AID (Continued)	44-315
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(MR) .83	Aid payments for the two months following a suspension shall be computed using concurrent budgeting if the family's circumstances have changed significantly from the corresponding budget period, e.g., loss of a job (see Section 44-313.123(MR)).
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.9 Zero Basic Grant

.91 An AU is considered to have received a cash aid payment even when:

.911 The payment is not sent due to penalty which reduced the payment to zero, or

.912 The grant amount is \$10 or less. See Section 44-315.5 regarding grants \$10 or less, or

.913 The grant for the AU is reduced to zero to adjust for a prior overpayment, or

.914 The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages. See Section 42-701.2(g)(2).

NOTE: Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209, 11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.2, 11265.3, 11265.8(a) (Ch. 270, Stats. 1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5 (Ch. 270, Stats. 1997), 11452, 11453, and 11453(a) (Ch. 329, Stats. 1998), Welfare and Institutions Code.

Section 44-316(MR) Title shall become inoperative and Section 44-316(QR) Title shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR)44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS **44-316**

(QR)44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS **44-316**

.1 Sections 44-316.1 and .11(MR) shall become inoperative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Required Reporting of All Changes Affecting Eligibility and Grant Determination

(MR) .11 All recipients are required to promptly report to the county any changes in eligibility or grant determination factors.

.2 Section 44-316.2(MR) shall become inoperative and Sections 44-316.2(QR) and .21(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Additionally, prior to the end of each budget period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that budget period or expected changes in subsequent budget periods.

(MR) For all CalWORKs recipients, such information shall be reported on the CA 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(MR), then the recipient's grant will be terminated in accordance with Confidentiality, Fraud, Civil Rights, and State Hearings Manual Section 22-072. Though the CA 7 is not applicable to AFDC-FC, every effort shall be made by the county to insure that foster parents and children are aware of the necessity to report any change in need or income for the child.

(QR) Prior to the end of each QR Payment Quarter, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the QR 7 Reporting Period and expected income changes in the next QR Payment Quarter.

(QR) .21 For all CalWORKs recipients, such information shall be reported on the QR 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(QR), then the recipient's grant will be terminated in accordance with Section 22-072.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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.22 Section 44-316.22(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) The county shall use the QR 7 to determine continued eligibility as specified in Section 40-181.

.23 Section 44-316.23(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Additionally, the county shall compare the QR 7 submitted for that QR Payment Quarter to all mid-quarter reports that were reported during that QR Payment Quarter to ensure that mid-quarter circumstances reported are consistent with the circumstances reported on the QR 7.

.231 Section 44-316.231(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) If the information reported on the QR 7 is inconsistent with the information provided in any mid quarter reports made during the QR 7 Reporting Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the QR 7 shall be considered incomplete.

.3 Section 44-316.3(QR) et seq. shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Mid-Quarter Actions

The county shall act on specified changes that occur mid-quarter. Mid-quarter changes to cash aid shall be acted on separately and sequentially under quarterly reporting/prospective budgeting and include:

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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(QR) .31 Recipient Mid-Quarter Voluntary Reports

(QR) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the QR Payment Quarter. The county shall also accept a report of decreased income on the QR 7 as a voluntary mid-quarter report when the QR 7 is received in the Submit Month of the QR Payment Quarter. When a voluntary report of decreased income is received in the Submit Month, the county shall also treat this information as updated QR 7 income information (see Section 44-315.314(QR)) when determining cash aid for the next QR Payment Quarter. The county shall take action on voluntary reports that increase cash aid or the recipient requests voluntary discontinuance of aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(QR)), the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12(QR). Recipients must provide all verifications within ten days of a voluntary report prior to county action.

(QR) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the QR Payment Quarter, the county must request verification in writing.

(QR) (a) If the recipient provides verification within 10 days of the voluntary mid-quarter report, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(QR).

(QR) (b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

(QR) (c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of a voluntary report.

(QR) .312 Recipient voluntary reports include, but are not limited to, the following:

(QR) (a) Decreases in Reasonably Anticipated Income

(QR) (1) When an AU voluntarily reports a decrease in income from the amount that was reasonably anticipated to be received, the county shall determine if the AU's cash aid will increase based on the changed income amount.

(QR) (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the quarter. The new grant amount shall be calculated using the existing averaged income that didn't change and the recalculated averaged income (the income that decreased).

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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| (QR) (B) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs averaged monthly income that did not change.

| (QR) (2) When cash aid would increase due to a voluntary reported decrease in reasonably anticipated monthly income, the county shall determine a new monthly grant amount based on the report of decreased income.

| (QR) (3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income for the remaining months of the QR Payment Quarter in recalculating cash aid for the month in which the change was reported and remaining months of the QR payment Quarter.

| (QR) (4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs whichever is later and when all verification has been provided (see Section 44-340.34(QR)).

| (QR) (5) The county shall increase the grant amount for the remainder of the QR Payment Quarter based upon the newly calculated grant in Section 44-316.312(a)(3)(QR).

HANDBOOK BEGINS HERE

(QR) Example 1:

An exempt AU of three, in Region 1 is in the April/May/June quarter and is receiving a QR Payment Quarter grant of \$192 per month. The grant was based on the mother having reasonably anticipated earned income of \$1200 per month. On April 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of April and anticipates no income for the remainder of the quarter. The county requests verification of the job loss and the recipient provides the necessary documentation by April 20. The county shall recalculate aid for QR Payment Quarter as follows:

HANDBOOK CONTINUES

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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HANDBOOK CONTINUES

\$ 600	April Actual Income
+ 0	May Reasonably Anticipated Income
+ 0	June Reasonably Anticipated Income
\$ 600	Earned Income for the Quarter
÷ 3	Earned Income Divided by Three
\$ 200	Reasonably Anticipated Monthly Income (month of report of decreased income plus the remaining months of the current QR Payment Quarter)
\$ 200	Reasonably Anticipated Monthly Income
- 225	Income Disregard
\$ 0	Subtotal
	50% Earned Income Disregard
\$ 0	Total Net Nonexempt Income
\$ 704	MAP for Three in Region 1(QR Payment Quarter monthly grant)
\$ 704	Potential Monthly Grant Amount
- 192	Grant Already Received
\$ 512	Supplement

A supplement of \$512 is issued for the family for the month of April and the cash aid is increased to \$704 for May and June.

HANDBOOK ENDS HERE

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| | (QR) | (6) | If the AU voluntarily reports a decrease in earnings that resulted from a loss or reduction in hours of employment, and the county determines that the recipient did not have good cause for the job quit/reduction in hours, the county shall impose a sanction pursuant to Section 42-721.4. However, the county shall not wait to increase cash aid due to voluntary report of decreased income while determining if good cause exists before imposing the sanction. See Section 42-721.44 for the time frame for imposing sanctions. |
| \| | (QR) | (b) | Adding Persons to an Existing AU |
| \| | (QR) | (1) | When an AU voluntarily reports a new person in the home, the county shall determine: |
| \| | (QR) | (A) | If the new person is CalWORKs eligible; and |

44-316 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)		44-316
|	(QR) (B)	If the new person were added into the AU, the AU would still meet all eligibility conditions; and	
|	(QR) (C)	If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.	
|	(QR) (2)	In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated averaged income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the QR Payment Quarter. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.	
|	(QR) (3)	When aid would increase due to the voluntary report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.	
|	(QR) (A)	The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the QR Payment Quarter.	
|	(QR) 1.	The new person's income will be averaged for the remaining months of the QR Payment Quarter. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.	
|	(QR) 2.	The new grant amount shall be based on the AU's existing averaged monthly income and the new person's calculated averaged monthly income for the months the new person would be included in the AU.	
|	(QR) (B)	The county shall increase the grant amount for the month the new person is added and the remaining months of the QR Payment Quarter based on the recalculation of the AU's cash aid (see Section 44-340.34(QR)).	
|	(QR) (4)	When adding a new person who would result in an increase in aid, but the new person does not meet all eligibility conditions, before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-quarter.	

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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- (QR) (5) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next QR Payment Quarter that follows the mandatory reporting of the new person on the QR 7, after all verification has been provided and all eligibility conditions have been met (except as provided in Section 82-832.3(QR)).

HANDBOOK BEGINS HERE

- (QR) Example: An AU of three (mother and two children) are in a January/February/March Quarter. Father, who is disabled and has a part time job, moves into the home January 10 and is voluntarily reported in January by the AU. The county recalculates aid for the QR Payment Quarter using the father's reasonably anticipated income for the quarter and determines the addition of the father would decrease aid for the existing AU. The county does not add the father into the AU mid-quarter. The county will send a No Change NOA and remind the existing AU to report the father on the next QR 7, due March 5. If the father is still living in the home, meets all eligibility conditions, and the AU remains eligible, the father will be added into the AU April 1 and his income will be used in the grant calculation for the April/May/June QR Payment Quarter.

HANDBOOK ENDS HERE

- (QR) (6) If adding a new person would render the existing AU ineligible, the county shall not take action mid-quarter to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the QR Payment Quarter in which the new person is mandatorily reported on the QR 7.
- (QR) (c) Request Discontinuance for Aid to Existing AU Members
- (QR) At any time during the QR Payment Quarter, a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.
- (QR) (1) If a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.
- (QR) (2) If the request for discontinuance was made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
---------------	--	---------------

(QR) (3) If an individual requests discontinuance from an existing AU, the county shall discontinue the individual even when that individual's request results in a decrease in aid for the remaining AU members.

(QR) (A) The county shall not presume that a mid-quarter report of an individual leaving the home is a voluntary request for discontinuance of that AU member. In such circumstances, the county shall verify with the AU if the AU is seeking to discontinue that individual, and shall inform the AU that such a discontinuance shall result in decreased cash aid to the remaining AU members.

(QR) (B) If an individual AU member who has left the home requests a discontinuance, but the AU has not voluntarily reported the departure, the individual's request for discontinuance takes precedence over the AU's decision to not make this voluntary mid-quarter report.

(QR) (d) Request for Recurring Special Needs

(QR) (1) Recurring special needs that have been requested mid-quarter and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the quarter in which the special need is expected to end, except as provided in Section 44-211.641(QR).

(QR) (2) When an AU member becomes pregnant mid-quarter, the county shall make payment according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the quarter in which the child is expected to be born.

(QR) (A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next QR Payment Quarter, the county shall continue the pregnancy special need payment until the end of the QR Payment Quarter in which the new estimated date of confinement is established or until the newborn is added to the AU. See Section 44-318.15 for when to add the newborn.

(QR) .32 Recipient Mid-Quarter Mandatory Reports

Recipients shall report in person, verbally or in writing, specific changes during the QR Payment Quarter within ten days of when the change becomes known to the AU.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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(QR) .321 The following occurrences shall be reported by the recipient to the county:

(QR) (a) Drug felony convictions

(QR) (b) Fleeing felon status

(QR) (c) Violation of conditions of probation or parole

(QR) (d) Address changes

(QR) (e) Income exceeding the Income Reporting Threshold (IRT)

(QR) .322 The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided when changes specified in Sections 44-316.321(a), (b), and (c) are reported.

(QR) .323 The county shall act on address changes, in accordance with regulations and procedures regarding changes of residence.

(QR) .324 Income Reporting Threshold (IRT)

(QR) (a) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income. The IRT is the greater of 130 percent of the Federal Poverty Level or the level at which an AU becomes financially ineligible.

(QR) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the QR Payment Quarter.

(QR) (1) An AU that has earned income only or a combination of earned and unearned income shall report when the family's combined gross monthly income exceeds the AU's IRT.

(QR) (2) An AU that has no income or has unearned income only shall report if they begin to receive earned income that, once combined with other family income, exceeds the AU's IRT.

(QR) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility for the QR Payment Quarter.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
---------------	--	---------------

(QR) (1) When the AU reports income in excess of the IRT in the first or second month of the current QR Payment Quarter, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly averaged income for the remainder of the current QR Payment Quarter will exceed the AU's MAP. If the averaged income is reasonably anticipated to continue to exceed the AU's MAP for the remainder of the QR Payment Quarter, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's MAP, with timely and adequate notice (see Section 44-207.23(QR)).

(QR) (A) If the AU reports that the income will no longer exceed the IRT prior to the effective date of the discontinuance, and the county determines that this is reasonably anticipated, the county shall rescind the discontinuance.

(QR) (B) If the AU requests restoration of cash aid after the QR Payment Quarter in which the discontinuance takes effect, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(QR).

(QR) (2) When an AU reports income in excess of the IRT in the third month of the current QR Payment Quarter, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the QR 7 information to prospectively determine eligibility and cash aid amount for the next QR Payment Quarter.

(QR) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the QR Payment Quarter, the county shall treat this additional information as a mid-quarter report.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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HANDBOOK BEGINS HERE

An AU is in the April/May/June Quarter. In April, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for May and June for the AU due to the IRT report, it is discovered that the AU will have no income for those months. Since the income over the IRT will not continue, the AU is not discontinued. The county shall treat this information as a mid-quarter report and recalculate the cash aid amount, after verification is received, for the decreased income for May and June. If the recalculation results in an increase of cash aid, a supplement will be issued for May and the grant increased for June.

**Income Reporting Threshold (IRT)
for Recipient Family**

Region One	
*Reporting Size	Income Reporting Threshold
0	\$227
1	\$1009
2	\$1362 Oct. & Nov. 2004) \$1394 (Dec.2004 forward)
3	\$1698
4	\$2043
5	\$2387
6	\$2732
7	\$3076
8	\$3421
9	\$3766
10 or more	\$4111

Effective 10/1/04

* The numbers in this column reflect the number of persons whose needs are included in the determination of eligibility for the AU. This number may be greater than the family's AU size.

Region Two	
*Reporting Size	Income Reporting Threshold
0	\$227
1	\$1009
2	\$1354
3	\$1698
4	\$2043
5	\$2387
6	\$2732
7	\$3076
8	\$3421
9	\$3766
10 or more	\$4111

Effective 10/1/04

HANDBOOK ENDS HERE

(QR) .33 County Initiated Mid-Quarter Changes

The county shall take mid-quarter action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred even if it results in a decrease in cash aid.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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(QR) .331 County-initiated actions include:

- (QR) (a) An adult in the AU reaches the 60-month time limit;
- (QR) (b) The county imposes a sanction or financial penalty on an individual member of the AU;
- (QR) (c) The county removes the sanction of an individual who corrects his/her welfare-to-work participation problem, in accordance with Section 42-721.48;
- (QR) (d) The county removes the penalty for an AU that complies with the CalWORKs program requirements;
- (QR) (e) A Cal-Learn participant earns a Cal-Learn bonus or sanction;
- (QR) (f) A child in the AU reaches the age limit (see Section 42-101);
- (QR) (g) A child in the AU is placed in Foster Care;
- (QR) (h) A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
- (QR) (i) Aid is authorized for an individual who is currently aided in another AU;
- (QR) (j) Late QR 7 adjustment;
- (QR) (k) State Hearing decision resulting in mandatory changes mid-quarter;
- (QR) (l) When an AU becomes a Family Reunification case;
- (QR) (m) An AU member is no longer a California resident;
- (QR) (n) County acts on redetermination information in accordance with Section 40-181.1(QR).
- (QR) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient QR 7 or mid-quarter reporting; or (2) incorrect action or lack of action by the county on QR 7 or mid-quarter information reported by the recipient;

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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| | (QR) (p) | When it becomes known to the county that an AU member is deceased; |
| | (QR) (q) | An AU is transferred to a Tribal TANF program; |
| | (QR) (r) | Cost-of-living adjustments for Minimum Basic Standards of Adequate Care (including income in-kind), Maximum Aid Payment, and Social Security; |
| | (QR) (s) | When it becomes known to the county that an individual is confined in a correctional facility on the first of a month and is expected to remain for a full calendar month or more (see Section 82-812.62). |

NOTE: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Section 10063 (Ch. 270, Stats. 1997), 11265, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

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44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS	44-317
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When the applicant is found eligible, the following are beginning dates of aid:

.1 Basic Date of Aid Determination

.11 The beginning date of aid (BDA) shall not precede the date of application. Aid shall begin on the date of application, or the date on which the applicant meets all eligibility conditions, whichever is later.

.111 "The date of application" means the date on which the county receives a signed and dated application.

(a) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an application for AFDC benefits is deposited in a drop box, mail slot, or other reasonable accommodation in accordance with Section 11-601.311(b), the "date of application" shall be the date the application is deposited.

(b) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an applicant calls to make a request for emergency benefits in accordance with Section 11-601.313, the date of application shall be the date the telephone call is received.

HANDBOOK BEGINS HERE

(c) Example: On Friday, when the CWD is closed, an applicant deposits an application for AFDC benefits in a mail slot designated for that purpose. The application will be date stamped with Friday's date or it will be otherwise indicated on the application that it was received on Friday, the date of application. Had the applicant made a request for Homeless Assistance, Food Stamp Expedited Services, Medi-Cal, or AFDC Immediate Need via the local telephone service on Friday, the date of application would be Friday and the application would have to be processed within established time frames.

HANDBOOK ENDS HERE

.112 "The date on which the applicant meets all eligibility conditions" means the date all linking and nonlinking factors of eligibility are met (see Section 40-107.3), even though verification or documentation of the eligibility condition is received at a later date. Technical conditions of eligibility, as specified in MPP 40-129.214, met at a later date are considered to be met on the date of application as long as they are completed by the date of authorization except for social security enumeration. Social security enumeration requirements must be met within 30 days of the application for assistance if aid is to begin on the date of application. (For social security enumeration requirements, see Section 40-105.2.)

HANDBOOK BEGINS HERE

- (a) At the time these regulations were promulgated, social security enumeration, application for unconditionally available income (including UIB), work registration of the principal earner who is exempt from GAIN due to remoteness, work registration of the nonfederal principal earner, and cooperation with the District Attorney in accordance with MPP 43-201.1 were the only technical conditions of eligibility. If any new technical conditions of eligibility are established, this handbook section will be amended.
- (b) Example: A family applies for AFDC on April 3. The county schedules the face-to-face interview on April 10. At that time the county determines that on April 3 the applicant had \$1200 in a bank account, but on April 6 the bank account was down to \$900. The beginning date of aid for this family is April 6, since it was on that date that the family met the eligibility requirement for the AFDC Program.
- (c) Example: A family applies for AFDC on November 10. All family members meet the eligibility requirements except for the youngest child who does not have an SSN. On November 20, the CWD authorizes aid for everyone but the one child because verification of a completed application for an SSN had not been received. On December 10, the CWD received a copy of the MC 194 which indicated that an application for an SSN was completed on November 15 and is being processed. The county rescinds the denial for the child and authorizes aid effective November 10.

HANDBOOK ENDS HERE

- .113 The beginning date of aid for each member of the AU may vary.

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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HANDBOOK BEGINS HERE

- (a) Example: A family applies for aid on September 1. The family consists of mother, her two children, her husband and their common child. The husband is the principal earner but does not have a connection to the labor force. The common child received three months of State-only AFDC-U within the last 12 months and will not be eligible to be aided again until September 16. All eligibility conditions were met as of the date of application. The beginning date of aid will be September 1 for mother and her two children. The husband can be aided as an essential person stepparent effective September 1. The common child will be added to the AU on September 16.
- (b) Example: Same scenario as 44-317.112(c). However, on December 20, the county receives a copy of the MC 194 which indicates that an application for an SSN was completed on December 12 and is being processed. The county authorizes aid for the youngest child beginning December 12.
- (c) Example: Mother gave birth on January 4. She was discharged from the hospital on January 7. She had not been receiving a pregnancy special need; nor did she report the birth to the county until March 9, at which time she submitted verification that her child had been enumerated at birth. The beginning date of aid for the child is March 9.

HANDBOOK ENDS HERE

- .114 The BDA shall be the date of application or date of eligibility, whichever is later, for persons whose eligibility determination remains pending and aid is granted to the remaining AU.
- .2 Aid Begins on a Specified Date
- .21 For a pregnant woman with no other eligible children, the beginning date of aid shall be the date of application, providing the pregnant woman is eligible on that date.
 - .22 When the mother of a newborn is being aided as a pregnant woman in accordance with MPP 44-205.6 or is receiving a pregnancy special need payment in accordance with MPP 44-211.6 in the month of birth:
 - .221 Aid for the otherwise eligible newborn begins on the date of birth, or the date all conditions of eligibility are met, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date; and

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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- .222 Aid for the otherwise eligible father begins on the date of the newborn's birth when he is living with the assistance unit on that date or the date the father meets all conditions of eligibility, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date.
- .3 Aid is Granted on Intercounty Transfer

Aid is paid from the first of the month following discontinuance by the other county.
- .4 Change in Type of Assistance

Aid is paid from the first of the month following the effective date of discontinuance under the previous program.
- .5 Applicant to Leave Public Institution Where He is Ineligible --(Repealed -- Manual Letter No. 77-001)
- .6 Intraprogram Status Changes
 - .61 Transfer from Medically Needy to AFDC Cash Grant Recipient
 - .611 The cash grant shall be paid from the date of application or date all eligibility conditions are met, whichever is later.
 - .62 Transfers Between AFDC (FG or U) and AFDC-FC
 - .621 The BDA for a child converting from AFDC-FC to AFDC-FG or U shall be the date he/she is placed in his/her parent's or relative's home or the date eligibility conditions are met, whichever is later.
 - .622 When a child in an FBU is moved to foster care, the effective date of AFDC-FC assistance is the date he/she is placed in an AFDC-FC eligible facility and is otherwise AFDC-FC eligible.
 - .623 When a child is transferring from AFDC-FC to AFDC-FG/U, or vice versa, but remains in the home of the same related caretaker, the effective date of program transfer is the first of the month following the request for change of program. (See Section 45-202.212(a).)
 - .63 Transfers from EA-UP to AFDC
 - .631 AFDC is paid beginning the day following the day on which EA-UP eligibility expires. See Section 41-500.
 - .64 Transfers from AFDC-FC to Kin-GAP

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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- .641 When a child is transferring from AFDC-FC to Kin-GAP, but remains in the home of the same caretaker relative, the BDA of Kin-GAP is the first of the month following the dismissal of the dependency (see Section 90-105.132). AFDC-FC shall be paid until the Kin-GAP payment begins.
- .65 Transfers Between CalWORKs and Kin-GAP
 - .651 When a child is transferring from CalWORKs to Kin-GAP, or vice versa, but remains in the home of the same related caretaker, the effective date of the program transfer is the first of the month following the request for change of program or the dismissal of the dependency (see Section 90-105.132).
- .7 Aid Granted on Basis of Immediate Need After Determining Eligibility or Apparent Eligibility -- Has been Deleted per Manual Letter No. 79-58.
- .8 Previously Denied Application is Approved
 - .81 Aid shall be paid from the date it would have been paid in accordance with the beginning date of aid regulations in effect at the time the application was denied.
- .9 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .10 Effective Date of Medical Assistance Certification

The effective date of the certification for Group I Medical Assistance for the applicant who has been found eligible for a cash grant is whichever of the following is later: (a) the first of the month of application, or (b) the first of the month in which there is eligibility (linkage).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, and 11056, Welfare and Institutions Code; 45 CFR 205.42(d)(2)(A), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 206.10; 45 CFR 233.10(a)(1); 45 CFR 233.20(a)(1)(ii); 45 CFR 233.60; 45 CFR 233.90(c)(2)(i); and Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU	44-318
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| <ul style="list-style-type: none"> .1 Beginning Date of Aid .11 Mandatorily Included Persons | <p>The BDA shall be:</p> <p>Section 44-318.11(MR) shall become inoperative and Section 44-318.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p> |
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44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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(MR)	The date the person joins the AU or the date all eligibility requirements are met, whichever is later, for a person who is required to be included in the AU.
(QR)	When mandatorily included persons added result in a cash aid:
(QR) .111 Increase	The first of the month after the change is reported and all conditions of eligibility have been met.
(QR) .112 Decrease	The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.
.12 Optional Persons	Section 44-318.12(MR) shall become inoperative and Section 44-318.12(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	The date of application or the date all eligibility requirements are met, whichever is later, for a person who has the option to be included in the AU.
(QR)	When optional persons added result in a cash aid:
(QR) .121 Increase	The first of the month after the change is reported and all conditions of eligibility have been met.
(QR) .122 Decrease	The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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.13	Sanction/ Noncooperating Persons	Section 44-318.13(MR) shall become inoperative and Section 44-318.13(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)		The date the person meets the requirement which caused that person to be excluded from the AU, or the date the person meets all eligibility conditions, whichever is later.
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(QR)		The first of the month following the date the person meets the requirement which caused that person to be excluded from the AU, after all conditions of eligibility have been met (see Section 44-316.331(c)(QR)), and the minimum sanction periods in accordance with Section 42-721.43 have passed.
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.14	Unreported Mandatorily Included Persons	Section 44-318.14(MR) shall become inoperative and Section 44-318.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)		The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested. Eligibility conditions are considered to have been met from the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.
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(QR)		The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested.
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(QR) .141		Eligibility conditions are considered to have been met from the first day of the month following the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.
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44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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.15		Section 44-318.15(MR) shall become inoperative and Section 44-318.15(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	Newborn Child	The date of birth for a newborn child when his/her mother received pregnancy special need or the date all eligibility requirements are met, whichever is later.
(QR)	Newborn Child and MFG Child	
(QR) .151	Newborn Child	When a newborn child is added results in a cash aid:
(QR) (a)	Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.6(QR)).
(QR) (b)	Decrease	The first day of the next QR Payment Quarter after the change is reported on the QR 7 and after all conditions of eligibility have been met (see Section 44-211.6(QR)).
(QR) .152	Newborn MFG Child	When an MFG newborn child is added results in no change or a decrease in cash aid.
(QR) (a)	No PSN/No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met and provided that the mother is not receiving a pregnancy special need payment and the grant will not decrease as a result of adding the newborn.
(QR) (b)	PSN/Decrease	The first day of the next QR Payment Quarter following the report of the birth and all verification has been provided, when the mother has been receiving a pregnancy special need payment or the grant would otherwise decrease as a result of adding the newborn.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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| .16 | Father of a Newborn | Section 44-318.16(MR) shall become inoperative and Section 44-318.16(QR) et seq. shall become operative in a county on date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | | The date the newborn child becomes eligible, or the date the father meets eligibility conditions, whichever is later. |
| (QR) | | When a father of a newborn added, in accordance with Section 44-205.632, results in a cash aid: |
| (QR) .161 | Increase | The first of the month after the report of the birth and all conditions of eligibility have been met. |
| (QR) .162 | Decrease | The first day of the next QR Payment Quarter after the report of the birth and all conditions of eligibility have been met. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01.

44-319	INITIAL PAYMENTS	44-319
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- .1 Initial Payment -- Defined -- An initial payment is:
- .11 The first payment made on new applications and restorations;
 - .12 The first payment for a child transferred from a boarding home to a family budget unit;
 - .13 The first payment for the addition of a child to a family budget unit already receiving AFDC, or for the addition of a needy relative (if none has been included before) whether or not the actual payment is increased.
- .2 When Initial Payment is Made
- An initial payment shall be delivered within the month for which aid is granted or restored, or not later in the following month than the time such payment is required to be delivered in accordance with Section 45-303.1.

44-319	INITIAL PAYMENTS (Continued)	44-319
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.3 Retroactive Initial Payment

An initial payment includes aid for prior months if retroactive aid is authorized because:

- .31 Aid was granted on appeal to the State Department of Social Services;
- .32 The State Department of Social Services concurs in a county recommendation that retroactive aid be paid to adjust an appeal;
- .33 An application for aid has been denied and corrective action is being taken;
- .34 The investigation was not completed by the end of the month following the date on which the application was made or the end of the month following the date on which the applicant became eligible if such is later than the date of application.

44-325	CHANGES IN AMOUNT OF PAYMENT	44-325
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.1 When Change is Effective

Section 44-325.1(MR) shall become inoperative and Section 44-325.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective as soon as proper notice can be given in accordance with Sections 22-022 and 22-021.2.

(QR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(QR) as soon as notice can be given pursuant to Sections 22-071(QR) and 22-072(QR).

.2 Discontinuance

If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued effective the last day of the month for which the last payment was made (see EAS Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.3 Cancellation or Reduction of the Second Installment of a Month's Aid Payment

- .31 The second installment of a month's aid payment is normally not cancelled or reduced, except when:

44-325	CHANGES IN AMOUNT OF PAYMENT (Continued)	44-325
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| | .311 | Ineligibility for the first installment was discovered too late to give proper notice under Section 22-022; or |
| \| | .312 | Payment of the first installment was made because the payment date was within the termination notice period. For example, see Section 41-440.71; or |
| \| | .313 | An overpayment would occur if the second installment is not cancelled or decreased. |
| \| | .32 | Any cancelled or reduced payment is subject to all notice requirements as outlined in Section 22-022. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code.

44-327	DELAYED PAYMENT	44-327
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When a public assistance payment is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date.

.1 Federal and State Participation

Federal and state participation in AFDC is available for the delayed payment only if it is released within whichever of the following occurs first:

- .11 One calendar month after the county receives information upon which it can act indicating there has been a change in circumstances, or
- .12 Two months succeeding the month for which the payment was issued.

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:

- .21 Change of address of recipient -- warrant is returned to the auditor's office and the county is so notified.
- .22 A change in payee.
- .23 A transfer of county responsibility for aid payment -- the second county inadvertently fails to begin aid on the due date and pays retroactive aid from that date.

44-327	DELAYED PAYMENT (Continued)	44-327
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.24 Death of a recipient -- when reissuance of the warrant or payment is appropriate but not possible until the person entitled to the warrant or payment is determined under Probate Law, the limitations specified in .11 and .12 above are not applicable (see Handbook Section 25-520.7).

.25 Section 44-327.25(MR) shall become inoperative and Section 44-327.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The complete CW 7 (see Section 40-181.241(MR)) is received after the tenth day prior to the end of the report month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(MR).

(QR) The complete QR 7 (see Section 40-181.241(QR)) is received after the tenth day prior to the end of the submit month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(QR).

.26 Electronic Fund Transfer Accounts – If the direct deposit electronic fund transfer was incomplete due to, but not limited to, closed account, the failure of the direct deposit electronic fund transfer, or the payment inadvertently went to the wrong account, the county shall immediately take whatever action is necessary at the earliest possible date.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, and 11265.1, Welfare and Institutions Code.

44-340	UNDERPAYMENTS	44-340
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.1 General

.11 An underpayment shall be corrected in accordance with the regulations in effect on the date of discovery.

.12 Underpayments occur when the applicant or recipient receives less than the amount to which he/she is entitled in a given month or months. Failure to apply for or request aid does not create an underpayment.

.13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention.

.131 Any underpayment which is due to the erroneous denial of an application for aid shall be corrected even though the applicant failed to perform an act constituting a condition of eligibility when such failure was caused by the denial. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.

44-340	UNDERPAYMENTS (Continued)	44-340
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- .132 For the purpose of determining the beginning date of aid for correcting an underpayment which is due to the erroneous denial of an application, see Section 44-317.8.
- .133 Section 44-340.133(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) If information reported on the QR 7 results in an increase of cash aid, and the county cannot increase the grant by the first day of the month of the next QR Payment Quarter, a supplement shall be issued for that month, and cash aid increased for the remaining months of that quarter provided that the recipient reported the information timely.
- .14 Section 44-340.14(MR) shall become inoperative and Section 44-340.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an underpayment determination. If there is a computational error, the payment shall be corrected.
- (QR) A mid-quarter supplemental payment resulting from a voluntary mid-quarter report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset.
- .2 Investigation of Underpayments
- .21 When there is a reason to suspect that an underpayment may have occurred, the worker must investigate and determine whether an underpayment did occur.
- .3 Calculating the Underpayments
- The calculation of the underpayment is as follows:
- .31 Calculate the correct grant for each month in question, compare the correct grant to the amount actually paid to the recipient for each month; and if the amount to the recipient in any month is less than the correct grant for that month, an underpayment exists.
- .32 Section 44-340.32(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

44-340	UNDERPAYMENTS (Continued)	44-340
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(QR) An underpayment occurs when the AU receives less cash aid than the AU was entitled to receive and would be based on regulations in effect at the time the underpayment occurred.

(QR) .321 The county shall not reconcile actual verified income against prospectively budgeted income that was used in the grant calculation as income that was reasonably anticipated at the time benefits were calculated.

.33 Section 44-340.33(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated during the QR Payment Quarter and the recipient did not voluntarily report the change in circumstances or the decrease of income during the QR Payment Quarter in accordance with Section 44-316.31(QR).

.4 Correction of the Underpayment

.41 Underpayments are corrected through retroactive payments.

.42 If an assistance unit has both an underpayment and an overpayment, the county shall balance one against the other before making a retroactive corrective payment.

.43 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.44 The month of discovery is the month in which the county obtained any information which could have reasonably led to a determination that an underpayment occurred.

.45 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.5 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.6 For purposes of determining continued eligibility and amount of assistance, retroactive payments shall not be considered as income or as a resource in the month paid nor in the next following month.

.7 Repealed by DSS Manual Letter No. EAS-89-06, effective 10/1/89.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004.1, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

44-350	OVERPAYMENTS -- GENERAL	44-350
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.1 General

- .11 Any overpayment which occurred prior to April 2, 1982 and which is determined to be nonwillful, in accordance with regulations in effect during the month that the overpayment occurred, shall not be recouped except through voluntary repayment.
- .12 For any willful overpayment which was discovered prior to April 2, 1982 and the maximum adjustment period had not expired prior to April 1982, adjustment shall be continued as long as necessary to recover the overpayment.
- .13 For any overpayment, except those described in 44-350.11, which is discovered on or after April 2, 1982, the overpayment shall be recouped in accordance with regulations in effect on the date of discovery.
- .14 When the overpayment is determined to be due to excess property, the overpayment is to be recouped in accordance with the regulations in Section 44-352.11.
 - .141 For cases in which an overpayment caused by excess property was recouped under former MPP Section 44-352.11, which was effective on April 2, 1982, the county shall take the following steps:
 - (a) Recompute the overpayment in accordance with the April 1986 amendments to Section 44-352.11;
 - (b) Determine if the revised overpayment is less than the overpayment computed under the April 2, 1982 regulations.
 - (c) If the revised overpayment is less, issue a payment to correct the underpayment for any amount which has actually been recouped which exceeds the revised overpayment amount.

HANDBOOK BEGINS HERE

Note: In accordance with the Edwards v. McMahon final court order, payments are to be issued to correct underpayments even when the family is not currently aided.

HANDBOOK ENDS HERE

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- .142 The case review, recomputation, and correction of any underpayments shall be completed as soon as possible and not later than the deadlines set forth below:
- (a) The date of the next annual redetermination of eligibility or the date of termination, whichever is earlier, for all current recipients on the effective date of this regulation;
 - (b) Sixty days from the date aid is granted for reapplications and requests for restoration of aid within one year of the effective date of this regulation;
 - (c) Sixty days from the date of a request for review in all other cases.
- .15 An overpayment is any amount of any aid payment an AU received to which it was not eligible. An overpayment may be all or a portion of an aid payment. This includes, but is not limited to, an immediate need payment, a special need payment or aid paid pending a state hearing.
- .151 An overpayment shall not include aid paid where all four of the following prerequisites are met:
- (a) An applicant or recipient fails to perform an act constituting a condition of eligibility for aid. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
 - (b) The applicant's/recipient's failure to perform an act constituting a condition of eligibility is caused by a state agency error or by a County Welfare Department (CWD) error, and not by an applicant/recipient error.
 - (1) "State agency error," for purposes of this section is the agency's failure to promptly notify the CWD that the applicant/recipient does not or no longer meets a specific condition of eligibility.

HANDBOOK BEGINS HERE

- (A) For example: EDD fails to notify the CWD that an applicant/recipient has been deregistered from Job Services (JS).

HANDBOOK ENDS HERE

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- (2) "CWD error," for purposes of this section, is the CWD's failure to inform an applicant/recipient that he/she must perform an act which constitutes a condition of eligibility.
- (3) "Applicant or recipient error," for purposes of this section, shall occur only when the applicant or recipient was notified, either verbally or in writing, of the need to perform the act which constitutes a condition of eligibility and did not perform the act in question after notification, within a reasonable period of time under the circumstances.

HANDBOOK BEGINS HERE

- (A) For example, where a child becomes six years old on April 6 and the CWD informs the parent of the requirement to WIN register on July 12, the parent's failure to WIN register in July would probably be a "recipient error" and, therefore, cause an overpayment for July. However, if the parent is informed of the WIN registration requirement on July 29, a failure to register within that month would probably not be a "recipient error" and there would be no overpayment for July because the recipient did not have a reasonable period of time to WIN register before the end of the month. In either case, there is no overpayment for April, May and June.

HANDBOOK ENDS HERE

- (c) The amount of aid paid would have been the same had the act constituting the condition of eligibility been performed.
 - (d) The state agency or CWD error is discovered or an overpayment is being calculated or an overpayment is being recouped on or after January 1, 1985.
- .16 The county shall take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either applicant/recipient and/or county administrative errors, with the following exceptions:
- .161 The county shall not demand collection of nonfraudulent overpayments totaling less than \$35 from individuals no longer receiving aid. Where the nonfraudulent overpayment amounts owed by the individuals no longer receiving aid is \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines that the cost to collect the overpayment exceeds the amount to be recovered.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- (a) Counties shall maintain information regarding the uncollected overpayments to enable recoupment should any individuals from the prior overpaid AU reapply.
- (b) Costs which counties shall consider when determining the cost effectiveness to collect are total administrative and personnel costs, legal filing fees, investigative costs, and any other costs which are applicable.

.162 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.17 Section 44-350.17(MR) shall become inoperative and Section 44-350.17(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an overpayment determination. If there is a computational error, the payment shall be corrected.

(QR) A supplemental payment which was correctly computed, based on the county's determination of reasonably anticipated income, shall not be subject to an overpayment determination provided that the recipient's report, upon which the county based its determination, was complete and accurate. If there is a computational error, the supplemental payment shall be corrected.

.18 Section 44-350.18(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the QR Payment Quarter and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate.

.2 Definitions (in Alphabetical Order)

- a) Action for Civil Judgment - The action taken by the appropriate county official to take the recipient or former recipient to court.
- b) Administrative Error Overpayment - Except as provided in Section 44-350.151, an overpayment caused by error on the part of the county when all information necessary to a correct determination of the grant was in the possession of the county.
- c) Aid - The amount of assistance issued to a recipient.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- d) Balancing - A method for the recovery of all or a portion of an overpayment by applying it against a repayable underpayment.
- e) Demand for Repayment - The notification to a recipient or former recipient that an overpayment occurred for which there is a right for judicial restitution. Where demand for repayment is appropriate, it may be used concurrently with other methods of adjustment.
- f) Grant Adjustment - Recovery of an overpayment by reducing the grant of a presently eligible individual or family.
- g) (Reserved)
- h) (Reserved)
- i) Month of Discovery - The month of discovery is the month in which the county obtained, or could have obtained by taking prompt action, information sufficient to support a determination both that an overpayment occurred and the amount of such overpayment.
- j) Nonfraudulent Overpayment - An overpayment which is not determined to be fraudulent pursuant to MPP 20-003.1.

HANDBOOK BEGINS HERE

MPP 20-003.1 provides that fraud exists when a person, on behalf of himself or others, has:

- (1) Knowingly and with intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- (2) Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- (3) Accepted benefits knowing he/she is not entitled thereto, or accepted any amount of benefits knowing it is greater than the amount to which he/she is entitled.
- (4) For the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits, made statements which he/she did not know to be true with reckless disregard of the truth.

HANDBOOK ENDS HERE

- k) Recovery - Grant adjustment, voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgment and balancing.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- l) Unlocatable - Means either of the following:
 - (1) When the county is unable to determine the physical whereabouts of the caretaker relative; or
 - (2) When the county is able to locate the caretaker relative, but unable to execute a legal process to collect.
- m) Voluntary Cash Recovery - Repayment voluntarily made to the county by a recipient who has incurred an overpayment.
- n) Voluntary Grant Offset - Voluntary repayment made to the county by a recipient's foregoing all or a portion of a grant for which he or she is eligible.

.3 Investigation of Overpayments

When information indicates that an overpayment may have occurred, the county shall take the following actions:

- .31 Review the eligibility and grant factors to find what the correct grant amount should have been;
- .32 Calculate the overpayment;
- .33 Determine from whom the overpayment may be recovered (see Section 44-352.3);
- .34 Determine the appropriate recovery method and the amount to be recovered.
- .35 If appropriate (see Section 44-352.5), initiate any referrals to the SIU for an investigation.

.4 Aid Paid Pending

Aid paid pending a state hearing decision (see Section 22-022) is a recoverable overpayment except to the extent that the claim is granted. However, the amount of a proposed overpayment adjustment which is stopped because of a recipient's timely request for a state hearing is not an overpayment.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- .5 Section 44-350.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action

An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including the QR 7.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004 (Ch. 270, Stats. 1997), 11004.1, 11056, and 11265.1, Welfare and Institutions Code; Section 37 of AB 444 (Ch. 1022, Stats. 2002); 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20.

44-351	METHODS OF OVERPAYMENT RECOVERY	44-351
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In addition to grant adjustment and demand for repayment which are discussed in Section 44-352.4 the following methods of recovery apply to all overpayments:

.1 Voluntary Cash Recoveries

Voluntary cash recovery should be explained by the county to a recipient (or former recipient) but no request for voluntary payment should be made.

- .11 If a recipient or former recipient offers to repay all or a portion of an overpayment which is not subject to grant adjustment or a demand for repayment and action for civil judgment, the following apply:

44-351	METHODS OF OVERPAYMENT RECOVERY (Continued)	44-351
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- .111 An agreement made with the recipient shall be in writing and shall clearly indicate to the individual that the repayment is voluntary.
- .112 The recipient is not required to fulfill any voluntary agreement he/she enters into and may suspend at any time payments he or she has agreed to make.

.2 Voluntary Grant Offset

Voluntary grant offset should be explained by the county to those recipients who have available income and resources when the overpayment could not be recovered in the appropriate adjustment period. However, no request may be made for voluntary repayment.

- .21 If the recipient offers to repay the remaining overpayment by foregoing all or a portion of a grant to which he or she is eligible, the following apply:
 - .211 The county shall obtain in writing an agreement to repay. Such agreement shall clearly indicate to the individual that repayment is voluntary.
 - .212 The recipient is not required to fulfill any agreement he/she enters into and may request payment of the full grant to which he/she is eligible at any time.

.3 Balancing

When an assistance unit has both an overpayment and an underpayment, the county shall offset one against the other.

44-352	OVERPAYMENT RECOUPMENT	44-352
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.1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

.11 Overpayment due to "excess property"

- .111 Section 44-352.111(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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(QR) Unless the excess property was spent down prior to the first day of the next QR Payment Quarter, which followed the QR 7 on which the excess property should have been reported, the county shall determine an excess property overpayment based on an accurate report and/or correct county action when:

- (a) Property information that should have been reported on the QR 7 was not reported; or
- (b) The county failed to act correctly on property information reported on the QR 7. Also see Section 40-125.951(QR).

.112 When a recipient has held property in excess of eligibility limits, the overpayment shall be calculated as follows:

- (a) Determine the period of time in which the recipient held property exceeding the property maximums.
 - (1) For the purposes of this section, the period that the recipient held excess property includes all months in which the total property value of the same items of property exceeds limits on the first day of the month, even though there may be intervening months in which the total property value is below limits. Fluctuations in the value of individual items of property shall not affect the determination of the period of time that the recipient held excess property, so long as the same items of property are included in the total property valuation. If the recipient disposes of an item of property or acquires an item of property, a new period begins and separate calculation is required.
- (b) Determine the month within the period in which the property value, on the first day of the month, was the highest and calculate the amount by which the property exceeded the eligibility limit.
- (c) Calculate the total amount of aid actually paid to the recipient during the months excess property was held, subtracting any money, excluding child support recoupment, received by the county which was credited against the aid payment for those months.
- (d) Determine whether the recipient received aid in "good faith". The determination of "good faith" receipt of aid shall be based on a preponderance of evidence establishing that the recipient believed himself/herself to be eligible to the aid received. The county shall consider information in the case record and all other available information, including an interview with the recipient if he/she is available and willing to cooperate. The determination of "good faith" receipt of aid shall be reasonable, objective, and drawn from all available information.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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- (1) The county shall not determine that a recipient has received aid in "good faith" in cases where the county has informed the recipient of his/her reporting responsibilities and, under the circumstances, the recipient knew of his/her reporting responsibilities and failed to report within his/ her competence. See Section 40-105.

HANDBOOK BEGINS HERE

- (A) The following are examples of questions to be considered in making the determination. Not all questions necessarily apply in all situations.
1. How was the recipient informed of his/her reporting responsibilities? E.g., Mass Mailing? Personal Intake Interview? Home Visit? Never?
 2. Is there information in the case record which indicates the recipient's apparent understanding of his/her reporting requirements with regard to property?
 3. What is the recipient's history of reporting?
 4. Did the recipient know the value of the property in question?
 5. Did county actions contribute to the situation causing the overpayment?
 6. Is there other information about the recipient's situation that would have an influence on the determination (i.e., language/age barrier)?

HANDBOOK ENDS HERE

44-352 OVERPAYMENT RECOUPMENT (Continued)**44-352**

- (e) If the county determines that the recipient received aid in "good faith", in accordance with .112(d) above, the amount of the overpayment is the lesser of the amount of excess property calculated in .112(b) above or the total grant paid as calculated in .112(c) above.

HANDBOOK BEGINS HERE

- (1) Recipient owned several stocks which fluctuated in value. At the time of her eligibility determination in January the combined value of her property, including stocks, was computed to be \$1,850. She was granted aid of \$100 per month. At her redetermination the following January, her property was investigated in detail. It was found that twice during the prior year her total property value had exceeded the property limit, both times due to fluctuations in stock value. In March, her total property was worth \$2,075 and in July worth \$2,010. Because the overpayment was caused by the same property in both cases, the two ineligible months, although not consecutive, are considered one "period".

The total grant paid for the ineligible months is \$200. The amount by which the excess property exceeded the property limit in the month the property value was the highest is \$75. The overpayment to be recouped is the lesser amount, in this case \$75.

HANDBOOK ENDS HERE

- (f) If the county determines that the recipient did not receive aid in "good faith", the amount of the overpayment shall be the total grant paid during the month(s) the excess property was held, as calculated in .112(c) above.

.12 Overpayment due to income or need or circumstances other than excess property.

Section 44-352.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) An overpayment shall be assessed when an AU receives more cash aid than entitled to as a result of not reporting income or circumstances timely, or the county does not act correctly on a recipient report, or the county did not act timely. The county shall redetermine the cash aid the recipient should have received based on the required report and correct county action.

44-352 OVERPAYMENT RECOUPMENT (Continued)**44-352**

- .121 Compute the correct grant amount based on correct information for the month involved in the overpayment. If the recipient was totally ineligible for that month, the correct grant amount is zero (0).

In this computation, allow all income disregards which would have been allowed if the grant had been computed correctly. The regulations in effect at the time the overpayment occurred shall be used to determine the correct amount of the grant, with the following exceptions:

- (a) Regulations subsequently invalidated by a court decision shall not be used in determining the correct grant for the applicable period(s) as required by the court decision. Instead, the instructions (e.g., All-County Letter, regulations, etc.) implementing the court decision shall be used.
- (1) Sections 44-352.121(a)(1)(QR) and (2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.
- (QR) If a recipient fails to report income timely or the county fails to act correctly or timely on a recipient report, the county shall redetermine the cash aid the recipient should have received based on an accurate report and correct county action. If the recalculation results in an overpayment, the date that the overpayment begins is the first date that the change would have been made if timely and correct action had been taken based on the complete, timely and accurate recipient report.
- (QR) (2) When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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HANDBOOK BEGINS HERE

Handbook Section 44-352.121(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.

- (QR) In the quarter designated as October/November/December 2004, the county determines through an IEVS match that an AU had income that exceeded the IRT early January 2005 (January 5). (The quarter in which the income was received was January/February/March). The AU is still receiving the same level of income in the current July/August/September 2005 quarter and has never reported the income in a mid-quarter report or on any of the QR 7s that have been submitted. The county determines that the AU should have reported this change by January 15, and should have been discontinued due to financial ineligibility effective January 31. The AU should be discontinued with a 10-day notice and an overpayment would be established beginning February 1 through the month of discontinuance.

HANDBOOK ENDS HERE

- (b) If the overpayment occurred prior to January 1, 1998, and if the overpayment is due to any earned income that the recipient failed, without good cause, to report timely, no earned income disregards shall be allowed for that individual in that month.

HANDBOOK BEGINS HERE

Earned income disregards in effect prior to January 1, 1998 were: 1) \$90 standard work expense disregard, 2) \$30 and 1/3 earned income disregard, 3) extended \$30 income disregard, and 4) child and dependent care disregard (\$200 per month for children under 2 and \$175.00 per month for older children and other dependents).

HANDBOOK ENDS HERE

- .122 Subtract the correct grant amount from the amount of aid actually paid.
- .123 Subtract any money, excluding child support recoupment, received by the county and credited against the aid payment from the aid actually paid.
- .124 The total overpayment for each month is the lesser of the amount computed in Sections 44-352.122 or .123.
- .125 The total overpayment is the sum of all amounts calculated in Section 44-352.124.

HANDBOOK BEGINS HERE

EXAMPLES

<u>Factors</u>		<u>Computations</u>	
		(.121) Correct <u>Grant</u>	(.122) Potential/Actual <u>Overpayment</u>
1.	Earned Income	\$1,025	
	Reported Income	1,025	
	Income Disregard	<u>- 225</u>	
	Subtotal	800	
	50% Earned Income Disregard	<u>- 400</u>	
	Total Net Nonexempt Income		
	400		
	MAP for Five	\$ 767	
	Total Net Nonexempt Income	<u>- 400</u>	
	Aid Payment	\$ 367	
	Potential Overpayment (Aid Paid Less Correct Grant)		\$ 767 <u>- 367</u> \$ 400
	Support Payment (.123)	\$100	
	Unreimbursed Grant (Aid Paid Less Support Payment)	\$667	
	Actual Overpayment (Lesser of Unreimbursed Grant or Potential Overpayment)		\$ 400

HANDBOOK CONTINUES

HANDBOOK CONTINUES

EXAMPLES

<u>Factors</u>		<u>Computations</u>	
		(.121) <u>Correct</u> <u>Grant</u>	(.122) <u>Potential/Actual</u> <u>Overpayment</u>
2.	Earned Income	\$ 500	
	Reported Income	\$ 500	
	Income Disregard	- 225	
	Subtotal	275	
	50% Earned Income Disregard	- 138	
	Total Net Nonexempt Income	137	
|	MAP for Three	\$565	
	Total Net Nonexempt Income	- 137	
	Aid Payment	428	
|	Potential Overpayment (Aid		\$ 565
	Paid Less Correct Grant)		-428
			\$ 137
|	Support Payment (.123)	\$500	
	Unreimbursed Grant (Aid	\$65	
	Paid Less Support Payment)		
|	Actual Overpayment (Lesser of		\$ 65
	Unreimbursed Grant or		
	Potential Overpayment)		

HANDBOOK ENDS HERE

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.2 Amount That Can Be Recovered

The amount that can be recovered is the total amount calculated under 44-352.11 or 44-352.12, with the following exceptions:

.21 Collection of overpayments shall not be demanded from any individual of the overpaid AU no longer receiving aid when:

.211 The overpayments are nonfraudulent; and

.212 The total amount of the overpayments is less than \$35.

.22 Where the nonfraudulent overpayments owed by any individual no longer receiving aid totals \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines it is not cost effective to collect the overpayment (see MPP 44-350.161[b]).

.3 Priority Order For Overpayment Recoupment

Overpayments shall be recouped in the following priority order unless specifically exempted under Section 44-352.2.

.31 Caretaker Relative Recipient

When the caretaker relative was a member of the AU at the time of the overpayment, the county shall first seek recoupment from the caretaker relative recipient.

.311 Recovery

The county shall continue to seek recovery of the overpayment from the caretaker relative even when he/she:

(a) Moves to another AU, or

(b) Is no longer on aid.

.312 Members of the AU

The county shall only initiate recovery of the overpayment from the other members of the overpaid AU after all efforts to collect from the caretaker relative recipient have been exhausted, and the caretaker relative recipient:

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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- (a) Dies and the county cannot collect the entire unpaid balance of the overpayment from the caretaker relative's estate; or
- (b) Is unlocatable; or

HANDBOOK BEGINS HERE

- (1) In locating former recipients who have outstanding overpayments, appropriate data sources include, but are not limited to: State Employment Insurance Records; State Department of Revenue Records; State Department of Motor Vehicle Records; and Payment Verification System.

HANDBOOK ENDS HERE

- (c) Has the overpayment discharged in bankruptcy; or
- (d) Is no longer on aid; the overpayment is less than \$35 pursuant to Section 44-352.211, and there are other members of the overpaid AU who remain on aid; or
- (e) Is no longer on aid, and the county has determined that it is not cost effective to collect the overpayment from the caretaker relative pursuant to Section 44-352.22.

.32 Unaided Caretaker Relative

When the caretaker relative was not a member of the AU at the time of the overpayment, the county shall seek recovery from the members of the overpaid AU as specified under Section 44-352.33.

.33 Recovery from AU Members

There shall be no priority order in seeking collection of the overpayment from members of the overpaid AU who were not the caretaker relative.

.331 Sequential/Concurrent

Collection may occur in sequence against any one member at a time or concurrently from any of the members, when in separate AUs or when not receiving aid.

.4 Methods of Recovery

All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.41 Grant Adjustments

Section 44-352.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Under QR/PB, recoupment by grant adjustment shall only be initiated at the beginning of a QR Payment Quarter. Grant adjustment shall be discontinued mid-quarter when the debt is paid in full. A new overpayment collection may continue mid-quarter by grant adjustment if the new collection of the overpayment does not decrease aid mid-quarter.

.42 If the overpayment is to be recovered by grant adjustment, the following method shall be used:

.421 Agency Error

For overpayments caused by agency error,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 5% of the MAP amount for the AU rounded to the next lower dollar.

.422 Other

For all other overpayments,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 10% of the MAP amount for the AU rounded to the next lower dollar.

.423 Step Five

The overpayment shall be adjusted from the current aid payment. The adjustment shall be the lesser of the following:

- (a) The overpayment balance, or
- (b) The maximum adjustment amount, or
- (c) The current aid payment.

.424 Step Six

Any remaining overpayment balance shall be applied to succeeding months and the adjustment process shall be repeated.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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| .43 Balancing - See Section 44-351.3.

| .44 Demand for Repayment

Using the appropriate Notice of Action form, the county shall demand repayment of any amount not recovered by grant adjustment, or otherwise repaid, except that no demand shall be made for nonwillful overpayment due to factors other than excess property that occurred prior to April 2, 1982.

| .45 Civil Judgment

| .451 If the recipient or an individual no longer receiving aid refuses or is unable to repay the amount demanded, the county shall refer the case to the appropriate county official for action on a civil judgment, unless specifically exempted under MPP 44-352.2.

(a) An abstract of civil judgment shall be recorded pursuant to Section 674, Code of Civil Procedure, in any county in which the recipient or former recipient owns real property.

(b) If a recipient is ineligible for further aid due to current income, property or other factors affecting eligibility, the county shall take all appropriate action pursuant to Section 681, et seq., Code of Civil Procedure, to execute the judgment.

HANDBOOK BEGINS HERE

(c) Except that if the recipients' sources of income include Social Security or SSI/SSP benefits, these benefits are exempt from collection and will not be used to repay an overpayment unless agreed to by the client.

HANDBOOK ENDS HERE

| .46 Nothing in .44 or .45 above shall preclude the county from arriving at a reasonable settlement of its demand for repayment with the recipient or former recipient.

| .47 Voluntary Cash Recovery - See Section 44-351.1.

| .48 Voluntary Cash Offset - See Section 44-351.2.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.5 Referral to Special Investigative Unit (SIU).

HANDBOOK BEGINS HERE

.51 Chapter 20-000 through 20-009 discusses referrals to the Special Investigative Unit and referrals to law enforcement officials. Chapter 20-350 discusses referrals made in cases of alleged IPV.

HANDBOOK ENDS HERE

.511 All overpayments determined to be caused by an applicant's or recipient's failure to report information shall be referred to the SIU, including overpayments caused by an alleged IPV.

.52 The Determination of Failure to Report.

.521 A failure to report occurs when the recipient has:

- a. Made oral or written misstatements in response to oral or written questions from the county or state concerning his/ her income, resources or other circumstances which may affect the eligibility or grant amount; or
- b. Failed to report changes in income, resources or other circumstances which may affect the amount of the grant; or
- c. Failed to report receipt of a grant amount which he/she knew represented an erroneous payment.

NOTE: Authority cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004, 11004.1, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11265.1, 11265.2, 11450, 11450.5, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-353	OVERPAYMENTS TO SPONSORED ALIENS	44-353
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Repealed by CDSS Manual Letter No. EAS-01-01, effective 1/8/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056 and 11008.13, Welfare and Institutions Code; 8 U.S.C. 1183a; and 8 CFR 213a.

44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT	44-355
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| .1 | Mandatory Person -
Presence Unknown | The county shall complete the following when a person required to be included in the AU is discovered in the home. |
| .11 | Reinform AU | Upon discovery, reinform the AU in writing that the discovered person is required to be included on the appropriate Statement of Facts. The reinforming date is the date the reinforming notice is mailed. |
| .12 | Retroactive Period | The period beginning with the date the person was required to be included in the AU and ending with the date the AU was reformed. |
| .13 | Redetermine Eligibility | Redetermine the eligibility of the AU for each month the person was required to be included in the AU but was not included. |
| .131 | Income/Resources | Include the person's income and resources. |
| .132 | Needs | Include the person's needs. |
| .14 | Recompute Grant | For the period specified in Section 44-355.12, recompute the grant for the AU. |
| .141 | Income | Include the person's income and resources. |
| .142 | Needs | Include the person's needs. |
| .15 | Recover Overpayment | Initiate recovery of an overpayment as specified in Section 44-352 for any month in which aid was overpaid. |

44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT (Continued)	44-355
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|------|----------------------------|---|
| .16 | Correct Underpayment | Correct an underpayment as specified in Section 44-340 for any month in which aid was underpaid. Payment shall be made only for months in which all technical conditions of eligibility, as defined in Section 44-317.112(a), are met. Technical conditions of eligibility are considered to be met as of the date the person who was required to be included in the AU provided: |
| .161 | Cooperates | The person is cooperating in meeting those conditions and |
| .162 | Reporting Responsibilities | The caretaker relative has fulfilled his/her reporting responsibilities with regard to making timely and accurate reports of AU composition in accordance with Section 40-105.14. |
| .2 | Current Eligibility | Redetermine eligibility for the AU as of the date the AU was reformed in accordance with Section 44-355.11 that the additional person is required to be in the AU. Use the additional person's income, resources and needs when making this redetermination. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and SSA-AT-86-01.